

# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

## Minutes of Meeting Thursday, June 2, 2016

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 368 (the "District") met in regular session, open to the public, at 6:30 p.m. on Thursday, June 2, 2016, at the District's regular meeting place, Graceview Baptist Church, 25510 Tomball Parkway, Tomball, Texas, whereupon the roll was called of the members of the Board to-wit:

Roy P. Lackey	President
Tiffani C. Bishop	Vice President/Investment Officer
Sharon L. Cook	Secretary
Eric Daniel	Treasurer
Allison V. Dunn	Assistant Secretary

All members of the Board were present except Director Cook, thus constituting a quorum. Consultants in attendance were: Kameron Pugh of IDS Engineering Group ("IDS" or "Engineer"); Mike Plunkett of Eagle Water Management, Inc. ("Eagle" or "Operator"); Kaye Townsley of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); and Andrew P. Johnson, III, and Tyler Scully, attorneys, and Mirna Croon, paralegal, of Johnson Petrov LLP ("Attorney").

The President called the meeting to order at 6:38 p.m., and in accordance with the notice posted pursuant to law, the following business was transacted:

- I. **Public Comment.** There was no public comment.
- II. **General Business.**
  - A. **District's Website.** The Board discussed posting a hurricane preparedness notice on the website.
  - B. **Pay Bills and Pay Estimates.** Upon motion by Director Dunn, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved check nos. 14355, 14358, 14359, 14360, and 14361.
  - C. **Security System proposals.** This matter was tabled.
  - D. **Emergency notifications.** This matter was tabled.
  - E. **Verizon/Comcast proposals.** This matter was tabled.
- III. **Operator's Report.** The President recognized Mr. Plunkett who presented to and reviewed with the Board the Operator's Report, a copy of which is attached hereto as Exhibit "A". Mr. Plunkett noted that the District had 141.8% accountability for the period from April 13, 2016 to May 13, 2016 most likely due to the malfunction of the North Harris County

Regional Water Authority ("Authority") meter. Mr. Plunkett stated that he will inform the Authority regarding the meter.

Mr. Plunkett noted that during the last month 89.36% of the District's water came from the surface water source with the remainder from the District's groundwater wells.

Mr. Plunkett reviewed the Collections Agency Report, a copy of which is attached to the Operator's Report.

Next, Mr. Plunkett stated that the District's Drinking Water Quality Report (also known as the Consumer Confidence Report, the "CCR"), will be distributed to the District's residents no later than July 1, 2016. Mr. Plunkett stated that to meet the Texas Commission on Environmental Quality requirement, the CCR will be posted on the District's website and a notice containing the URL address of the CCR will be included on the water bills. If requested, a copy of the CCR can also be mailed or emailed to residents.

He then reviewed with the Board the Termination List, a copy of which is attached to the Operator's Report, and affirmed that all Customers on the list were at least sixty (60) days past due and had been notified in writing of their right to attend this meeting to address the Board.

The Board next discussed the WaterWise Program and the District's possible sponsorship of Bernshausen Elementary School. It was noted that the District already sponsors Kohrville Elementary School and Blackshear Elementary School. Director Dunn stated that she contacted the Harris-Galveston Subsidence District who informed her that Bernshausen Elementary School did not participate in the WaterWise Program this past year. Director Dunn stated that she will further investigate the possibility of sponsorship.

Upon motion by Director Dunn, seconded by Director Bishop, after full discussion and with all Directors present voting aye, the Board (i) approved the Collections Agency Report; (ii) authorized distribution of the CCR; (iii) authorized termination of service to customers listed on the Termination List, in accordance with provisions of the District's Rate Order; and (iv) approved the Operator's Report as presented.

IV. **Engineer's Report.** Mr. Pugh presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "B".

- A. Northern Point Drainage. Mr. Pugh reported that IDS is evaluating the survey in order to make drainage improvement recommendations to the District. Mr. Pugh next stated that IDS is nearly complete with its review of the construction contracts for the televising and cleaning. IDS is planning to receive bids for the televising and cleaning at the next Board meeting.
- B. Operations Committee Meeting. Mr. Pugh stated that the Operations Committee meeting will need to be scheduled.

- C. Grand Parkway. Mr. Pugh reported that ZOPB has agreed to meet to discuss the erosion control under the Grand Parkway. The meeting should be scheduled for the week of June 13.
- D. Gladewater Drainage. Mr. Pugh stated that the Operator is in the process of removing the debris from the storm sewer.
- E. Bond Issue No. 13. The Financial Advisor and Attorney are reviewing the feasibility of a bond issue.
- F. Water Quality Monitoring for Water Wells Nos. 2, 3, 4, 5, and 6. Mr. Pugh reported that the May 2016 laboratory test results for benzene, toluene, ethyl benzene, or xylene (BTEX) in Water Wells Nos. 2, 3, 4, 5, and 6 are non-detect.
- G. Water Plant ("WP") No. 2. Mr. Pugh reported that IDS is preparing construction plans for piping modifications to be able to transfer surface water from WP No. 2 to WP No. 1. IDS is planning to obtain a proposal from the Operator to make the piping modifications.
- H. WP Nos. 1 and 2. IDS is preparing flow diagram charts for both water plants. The Operator has located all valves needed to finalize the charts.
- I. Water Plant Nos. 1 and 2 rehabilitation. IDS is planning to inspect all water plant facilities in the next month and generate a construction cost estimate to rehabilitate the facilities.
- J. Phase 3 Sanitary Sewer Cleaning and Televising. IDS is working with the Operator to prepare a detailed estimate for the proposed work and develop a schedule for the repairs.
- K. WWTP Odor Control. Mr. Pugh stated that the Operator is preparing to install the equipment.
- L. Sandy Stream Sewer Capacity Evaluation: Upsize required for Dungrove tract. There were no new matters to report.
- M. Lift Station ("LS") Panel replacements. Mr. Pugh stated that the design for the replacement of control panels for LS Nos. 1 and 2 and Stormwater Pump Station No. 1 is complete. IDS is working to obtain bids for the control panel replacements. Mr. Pugh requested Board authorization to obtain bids for the direct purchase of the control panels.
- N. Emergency Generators for LS Nos. 1, 2 and 6. Mr. Pugh reported that Cummins Generators is preparing its submittals for the three (3) generators. Once the submittals have been received and approved, Cummins will begin manufacturing the units. IDS is planning to solicit bids for the installation of the generators next week.

- O. WWTP Rehabilitation. IDS is planning to inspect all wastewater facilities, and will generate a construction cost estimate to rehabilitate the facilities.
- P. LS No. 2 – Sanitary Sewer force main. Mr. Pugh stated that IDS is working on the design of the FM replacement.
- Q. NorthPointe Center – Phase 2 (Santikos). There were no new matters to report.
- R. Adriatic Café (Ekrem & Alban, LLC). There were no new matters to report.
- S. 136-Acre Finger Tract. The landowners are working with the State to agree upon land value for the condemnation of the Grand Parkway right-of-way.
- T. Ashford Grove East, Section 1, WS&D Facilities. The construction is complete.
- U. Ashford Grove East, Section 2, WS&D Facilities. The design is complete. IDS held a bid opening on May 24, 2016, which resulted in a low bid of \$245,500. A bid tabulation is attached to the Engineer's Report. Mr. Pugh stated that IDS recommends the Board award the contract to the low bidder, Crostex Construction, in the amount of \$245,500.
- V. Ashford Grove East, Phase 1 Stormwater Detention Facilities. The construction is complete.
- W. Ashford Grove East, Sanitary Sewer Lift Station. The construction is nearly complete.

Next, upon motion by Director Dunn, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board (i) authorized IDS to solicit bids for the lift station control panel replacements; (ii) authorized IDS to solicit bids for the installation of the emergency generators for Lift Stations Nos. 1, 2 and 6; (iii) awarded the construction contract related to Ashford Grove East, Section 2 to Crostex Construction, in the amount of \$245,500, as recommended by IDS; and (iv) approved the Engineer's Report.

V. **Developer's Report**. There were no additional matters to report.

VI. **Attorney's Report**.

- A. Badger Master Agreement. Upon motion by Director Bishop, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board approved the Agreement, a copy of which is attached hereto as Exhibit "C".
- B. Approval of minutes of the May 19, 2016 Board meeting. Upon motion by Director Dunn, seconded by Director Bishop, after full discussion and with all Directors present voting aye, the Board approved the minutes of the May 19, 2016 meeting as amended.

VII. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 7:55 p.m.

[EXECUTION PAGE FOLLOWS]

Passed and approved this 16<sup>th</sup> day of June, 2016.



Secretary, Board of Directors

**Exhibits:**

- "A" – Operator's Report
- "B" – Engineer's Report
- "C" – Badger Master Agreement