

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

### Minutes of Meeting Thursday, July 7, 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, July 7, 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 for Sharon L. Cook, thus constituting a quorum. Consultants in attendance were: Mike Plunkett of Eagle Water Management, Inc. ("Operator"); Matthew Carpenter, P.E. and Kameron Pugh of IDS Engineering Group ("IDS" or "Engineer"); Kaye Townley of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Andrew P. Johnson, III, and Tyler Scully, attorneys, of Johnson Petrov LLP ("JP" or "Attorney").

The President called the meeting to order at 6:48 p.m. and in accordance with the notice posted pursuant to law, the following business was transacted:

- I. **Public Comment.** There were no public comments made.
- II. **General Business.**
  - A. **District's Website.** The Board discussed the Drinking Water Quality Report and that it should be posted to the District's website.
  - B. **Emergency notifications.** The Board discussed that the District had paid for set up of an emergency notification system, however, no work has been completed by Don Dunlin with mywaterboard.com. The Board voiced displeasure with the lack of progress with the emergency notification system. Director Bishop stated that the vendor has not provided any updates on progress of the system.
  - C. **Pay bills and pay estimates as presented.** Checks numbered 14263 and 14345 through 14443 were submitted for payment. Upon motion by Director Dunn and seconded Director Bishop, the Board voted unanimously to approve the checks as listed in the Bookkeeper's Report.
  - D. **Security System Proposals.** Tabled.
- III. **Operator's Report.** The Board 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 95.70% accountability for the period of time from May 13, 2016, to June 17, 2016.

Mr. Plunkett stated that he informed the North Harris County Regional Water Authority ("Authority") regarding the 141.8% accountability for the period from April 13, 2016 to May 13, 2016 most likely due to the malfunction of the Authority meter. However, he stated that the Authority has not corrected the invoice.

Mr. Plunkett noted that during the last month, 93.17% 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 Report, a copy of which is attached to the Operator's Report.

Upon motion by Director Dunn, seconded by Director Bishop, after a full discussion and with all Directors present voting aye, the Board (i) approved the Collections Report and (ii) approved the Operator's Report as presented.

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

General District Matters:

1. Northern Point Drainage. Mr. Carpenter stated that IDS was evaluating the original design for the storm sewer system and paving designs. He indicated that IDS plans on having a written recommendation report at the August 4, 2016 meeting. Additionally, he stated that IDS is nearly complete with the construction contracts for the televising and cleaning of portions of the storm sewer system and that bids will be received for the project on July 19, 2016.

2. Operations Committee Meeting. Mr. Carpenter suggested the date of July 27, 2016 as the next Operations Committee meeting date, and Director Lackey suggested Valley Ranch at approximately 11:45 a.m.

3. Grand Parkway. Mr. Carpenter noted that ZOPB has agreed to meet with IDS to discuss the erosion control under the Grand Parkway. However, ZOPB has not returned messages to schedule a meeting date. Mr. Carpenter noted that IDS will make this a top priority.

Water Supply System Matters:

1. Water Quality Monitoring for Water Well Nos. 2, 3, 4, 5 and 6. Mr. Carpenter reported that the June 2016 Laboratory test results for benzene, toluene, ethyl benzene, or xylene (BTEX) in Water Well Nos. 2, 3, 4, 5 and 6 are non-detect.

2. Water Plant No. 2. Mr. Carpenter indicated that the construction plans for piping modifications to be able to transfer surface water from Water Plant No. 2 to Water Plant No. 1 are nearly complete. The Operator plans to begin construction in the next several weeks.

Mr. Carpenter noted that this will make Water Plant No. 1 go into the water production rotation.

The Board asked that IDS prioritize odor control over this issue.

3. Water Plant Nos. 1 and 2. Mr. Carpenter stated that IDS is preparing flow diagram charts for both water plants and the engineer will issue a draft of the diagrams to Director Lackey and the Operator at the next Operations Committee Meeting.

4. Water Plant Rehabilitation. Mr. Carpenter stated that IDS plans to inspect all of the water plant facilities with the Operator and that they need to schedule a meeting with Mr. Plunkett to do so. IDS hopes to have inspections completed within the next month, and will prepare a recommendation list of any necessary repairs and the associated costs once the inspections are complete.

Wastewater Treatment System Matters:

1. Phase 3 Sanitary Sewer Rehab. Mr. Carpenter stated that IDS is working with the Operator on this issue and will provide a list of recommended repairs to the Operator shortly.

2. Wastewater Treatment Plant Odor Control. Mr. Carpenter stated that the Operator has received the equipment and is preparing to install it over the next several weeks. Director Bishop again requested that this project receive priority.

3. Sandy Stream Sewer Capacity Evaluation: Upsize Required for Dungrove Tract. There is no new activity to report. Mr. Carpenter stated that until Dungrove moves forward, nothing can be accomplished realistically.

Mr. Carpenter stated that he would like to schedule a conference with Director Lackey regarding plans for Dungrove moving forward.

4. Lift Station Control Panel Replacements. Design is nearly complete for the replacement control panels for Lift Stations 1 and 2 and Stormwater Pump Station 1.

5. Emergency Generators for Lift Stations 1, 2 and 6. Mr. Carpenter indicated that Cummins is preparing their shop drawing submittals for the three generators. Once the Engineer has received and approved the submittals, Cummins will begin manufacturing the units.

6. Wastewater Treatment Plant Rehabilitation. Mr. Carpenter stated that this will involve some above ground piping and that IDS plans to inspect all wastewater facilities with the Operator. IDS is working to schedule the inspection within the next month. Once the inspections are complete, IDS will prepare a list of recommended repairs and the associated costs.

7. Lift Station No. 2 – Sanitary Sewer Force Main. Preliminary construction plans for the Lift Station No. 2 and Sanitary Sewer Force Main have been routed to agencies. IDS requested the authorization to advertise the project for bid.

Residential and Commercial Development Projects:

1. Harris County Street Acceptance Status. Mr. Carpenter reported that all streets eligible for acceptance have been accepted by the County.
2. NorthPointe Center-Phase II (Santikos). No new activity to report.
3. Adriatic Café (Ekrem & Alban, LLC). There is no new activity to report other than that they have broken ground on the site.
4. 136-Acre Finger Tract. Mr. Carpenter reported that the Landowners are working with the State to agree upon land value for the condemnation and that this is believed to currently be in ongoing litigation.
5. Ashford Grove East (Woodmere).
  - a. Ashford Grove East, Section 2, WS&D: Design has been completed. Construction is currently on hold.
  - b. Ashford Grove East, Sanitary Sewer Lift Station: Construction is complete, however, Mr. Carpenter reported that the operation and maintenance manuals are not 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 advertise and solicit bids for the Lift Station No. 2 – Sanitary Sewer Forcemain, and (ii) approved the Engineer’s Report.

V. **Developer's Report**. There was no report.

VI. **Attorney's Report:**

Mr. Johnson stated that he was contacted by a developer that wants to meet with the board to discuss his desire to develop in the area and what would be involved in annexation by Harris County Municipal Utility District No. 368. Discussion ensued.

Minutes of June 2, 2016, and June 16, 2016, Board meetings. 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 June 2, 2016, and June 16, 2016, Board meetings, as amended.

VII. **Adjournment**. With no additional matters before the Board, the Board adjourned the meeting at 8:51 p.m.

[EXECUTION PAGE FOLLOWS]

Passed and approved this 21st day of July, 2016.

  
Secretary, Board of Directors

**Exhibits:**

- "A" Operator's Report
- "B" Engineer's Report