

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, October 6, 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, October 6, 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, thus constituting a quorum. Consultants in attendance were: Kameron Pugh, E.I.T. 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 6:48 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.** There were no matters to report.
 - B. **Pay Bills and Pay Estimates.** There were no pay bills/pay estimates presented.

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 90.7% accountability for the period from August 20, 2016 to September 19, 2016. Mr. Plunkett also noted that during the last month 77.01% of the District's water came from the surface water source with the remainder from the District's groundwater wells.

Mr. Plunkett then reported on a reimbursement request from a resident claiming the manifold system at his property was damaged during the meter replacement. The resident replaced the manifold system and provided receipts for the materials used totaling \$362.42. Responding to a question from Director Lackey, Mr. Plunkett stated that there was a leak; however, Eagle found no evidence of the manifold system damage. Discussion ensued with the Board noting that the materials purchased appear to be more than needed for such a repair.

Next, upon motion by Director Cook, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board (i) authorized the reimbursement amount of \$181.21 or 50 percent of the total amount spent on the materials. Mr. Plunkett stated that the customer's account will be credited in the amount of \$181.21.

Mr. Plunkett 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.

Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board (i) authorized termination of service to customers listed on the Termination List, in accordance with provisions of the District's Rate Order; and (ii) 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 the cleaning and televising is approximately 75 percent complete. The Contractor anticipates completing the work the following week.
- B. Operations Committee Meeting. The Operations Committee meeting has been scheduled for October 27, 2016.
- C. Grand Parkway. Mr. Pugh reported that ZOPB has requested the District to accept the project as complete. IDS has yet to respond to ZOPB's request as they have yet to agree to a meeting with IDS to discuss the erosion control on M122.
- D. Gladewater Drainage. Mr. Pugh stated that the debris has been removed from the storm sewer.
- E. Bond Issue No. 13. Mr. Pugh stated that IDS should provide the Consultants with the draft report this week.
- F. Water Quality Monitoring for Water Wells Nos. 2, 3, 4, 5, and 6. Mr. Pugh reported that the September 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 the construction plans for piping modifications to be able to transfer surface water from WP No. 2 to WP No. 1 are complete. The Operator plans to begin construction after completion of the odor control equipment installation at the Wastewater Treatment Plant.
- H. WP Nos. 1 and 2. The final draft of the water plant valve flow diagram was presented to the Operator at the previous Operations Committee meeting. IDS is

working to design flow diagrams for specific operational procedures to accompany the completed diagram.

- I. Water Plant rehabilitation. An inspection of district plant facilities was completed on August 17, 2016. Water Plant No. 1 and the Wastewater Treatment Plant are in good condition. IDS plans to begin preparation of plans and technical specification for the General Storage Tank rehabilitation at WP No. 2.
- 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 has begun installation of the equipment. IDS is coordinating electrical work with Electrical Field Services.
- 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 control panels for Lift Station Nos. 1 and 2 and Stormwater Pump Station No. 1 is nearly complete.
- N. Emergency Generators for LS Nos. 1, 2 and 6. Mr. Pugh reported that Cummins Generators has sent submittals for the three (3) generators and IDS has approved the submittals. The manufacturing is expected to begin within the next week or two.
- O. WWTP Rehabilitation. An inspection of District plant facilities was completed on August 17, 2016. The WWTP was in good condition.
- P. LS No. 2 – Sanitary Sewer force main. Mr. Pugh presented the contracts for execution. IDS plans to hold a pre-construction meeting next week.
- 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.
- T. Ashford Grove East, Section 2, WS&D Facilities. Construction is in progress. A notice to proceed was issued on September 26, 2016.
- U. Ashford Grove East, Sanitary Sewer Lift Station. Mr. Pugh reported that the construction is complete; however, operation and maintenance manuals are yet to be approved. The landscaping, previously approved by the Board, is complete.

Next, upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report.

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

VI. **Attorney's Report.**

A. **Approval of minutes of the September 15, 2016 Board meeting.** Upon motion by Director Dunn, seconded by Director Cook, after full discussion and with all Directors present voting aye, the Board approved the minutes of the September 15, 2016 meeting as amended.

VII. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 8:15 p.m.

Passed and approved this 6th day of October, 2016.



Secretary, Board of Directors

Exhibits:

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