

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, December 15, 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, December 15, 2016, at the District's regular meeting place, Graceview Baptist Church, 25510 Tomball Parkway, Room AB 110, 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 Daniel, thus constituting a quorum. Consultants in attendance were: Mike Plunkett of Eagle Water Management, Inc. ("Operator"); Matthew Carpenter, P.E. and Kameron Pugh, E.I.T. of IDS Engineering Group ("IDS" or "Engineer"); Kaye Townley of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Kristen Scott of Bob Leared Interests, Inc. ("Tax Assessor/Collector"); Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC (the "Auditor"); Sergeant Walton of the Harris County Precinct 4 Constable's Office ("HCCO"); Andrew Dunn and Matthew Dunn of On-Site Protection, LLC (the "Security Coordinator"); and Andrew P. Johnson, III, Tyler Scully, attorneys, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP" or "Attorney"), and Greg Thomason, a member of the public.

The President called the meeting to order at 6:36 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. **Security Report.** Sergeant Walton presented to and reviewed with the Board the Security Report, a copy of which is attached hereto as Exhibit "A".

Mr. A. Dunn reviewed the internet performance report for District facilities, a copy of which is attached hereto as Exhibit "A-1".

Upon motion by Director Bishop, seconded by Director Cook, after full discussion and with Director Dunn abstaining, the Board approved the Security Report.

- III. **Interlocal Agreement for Law Enforcement Service with Harris County effective March 1, 2017 through February 28, 2018 ("Interlocal Agreement").** Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved the Interlocal Agreement, a copy of which is attached hereto as Exhibit "B".

IV. **General Business.**

- A. Emergency Operations and repairs to District Facilities. Mr. Plunkett reported that the electric bill for Lift Station No. 6 had not been paid since February 2016 as it appears the account was added to the wrong location. Eagle paid the outstanding balance after the power was turned off by CenterPoint. The power was restored the same day.
- B. District's Website. There were no matters to report.
- C. Residential Recycling and Refuse of Texas ("RRRT") Monthly Recycling Report. The Board reviewed the RRT report, a copy of which is attached hereto as Exhibit "C".
- D. Agreed-Upon Procedures Audit Report related to Woodmere reimbursement ("Audit Report"). The President recognized Mr. Jenkins who presented to and reviewed with the Board the Audit Report, a copy of which is attached hereto as Exhibit "D". Mr. Jenkins reported that as listed in the Report, the amount to be paid to Woodmere for the water and sewer facilities in Ashford Grove East and Ashford Grove East, Section 1, from the District's General Fund amount to \$961,075.39, which is adjusted for the 4 percent (4%) adjustment per the Amended Reimbursement Agreement. Mr. Johnson explained that the District will reimburse its General Fund with the proceeds from the next Bond issue.

Upon motion by Director Cook, seconded by Director Bishop, after full discussion and with all Directors present voting aye, the Board approved the Audit Report.

- E. Annual Agenda 2017. Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved the Annual Agenda, as amended.

[Mr. Johnson departed the meeting.]

- V. **Tax Assessor/Collector's Report.** Ms. Scott reviewed the Tax Assessor/Collector's Report for the month of November 2016, a copy of which is attached hereto as Exhibit "E". Ms. Scott reported that 99.796% of the District's 2015 tax levy and 3.762 % of the District's 2016 tax levy had been collected as of November 30, 2016.

Upon motion by Director Cook, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board: (i) approved the Tax Assessor/Collector's Report; and (ii) authorized payment of checks numbered 1211 through 1214 from the Tax Account.

- VI. **Bookkeeper's Report.** Ms. Townley reviewed the Bookkeeping Report, a copy of which is attached hereto as Exhibit "F".

Next, upon motion by Director Dunn, seconded by Director Cook, after full discussion, and with all Directors present voting aye, the Board voted to: (i) approve the Bookkeeper's Report and; (ii) authorize payment of Check Nos. 14736 through 14952 from the Operating Fund.

VII. **Engineer's Report.** Mr. Pugh reviewed the Engineer's Report, a copy of which is attached hereto as Exhibit "G". Mr. Carpenter and Mr. Pugh discussed the conceptual design for drainage improvements to serve Northern Point subdivision.

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.

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

IX. **Attorney's Report:**

A. **Utility Conveyance Agreement.** Mr. Scully presented to and reviewed with the Board the Utility Conveyance Agreement related to the transfer of water and sewer facilities in Ashford Grove East and Ashford Grove East Section 1 from Woodmere to the District.

B. **Request for Production of Documents.** Mr. Scully informed the Board regarding a request for production of documents received by the District from the attorney for Connie Chuisano, a resident who incurred injuries when she tripped and fell on a sidewalk near her home. Mr. Scully stated that the District was served as a non-party to a lawsuit. He also noted that the resident and her attorney were informed that the District does not have an ownership interest in the sidewalks, and thus the District is not responsible for the construction and maintenance of sidewalks in the District. Mr. Scully noted that JP will respond to the request for production of documents.

C. **Minutes of December 1, 2016 Board meeting.** Next, upon motion by Director Dunn, seconded by Director Cook, after full discussion and with all Directors present voting aye, the Board approved (i) the Utility Conveyance Agreement; and (ii) the minutes of the December 1, 2016 Board meeting, as amended.

X. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 7:45 p.m.

[EXECUTION PAGE FOLLOWS]

Passed and approved this 5th day of January, 2017.



Secretary, Board of Directors



Exhibits:

- "A" Security Report
- "A-1" Internet Performance report
- "B" Interlocal Agreement for Law Enforcement Services
- "C" RRT Report
- "D" Agreed-Upon Procedures Audit Report
- "E" Tax Collector Report
- "F" Bookkeeper Report
- "G" Engineer Report