

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, May 4, 2017

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, May 4, 2017, 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: Matthew Carpenter, P.E. and Kameron Pugh, E.I.T., of IDS Engineering Group ("IDS" or "Engineer"); Mike Plunkett of Eagle Water Management, Inc. ("Eagle" or "Operator"); Kaye Townley of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); and Tyler Scully, attorney, 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.** Director Lackey reported that he was asked by a resident if the Board could institute a rule for the trash cans to be placed on grass areas instead of on the street. The Board discussed the request and noted that implementing such a rule would be very difficult. No action was taken.

II. **General Business.**

- A. **District's Website.** Mr. Plunkett stated that the notice regarding the water meter upgrades in the District will be posted on the District's website.
- B. **Pay Bills and Pay Estimates.** Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved checks to Attorney General of Texas and On-Site Protection, which will be listed on the next Bookkeeping Report.
- C. **Insurance proposals.** This matter was tabled.
- D. **Draft Budget for Fiscal Year Ending May 31, 2017.** 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 97.3% accountability for the period from

March 18, 2017 to April 20, 2017. Mr. Plunkett also noted that during the last month 97.92% of the District's water came from the surface water source with the remainder from the District's groundwater wells. Mr. Plunkett reviewed the Discharge Monitoring Report, a copy of which is attached to the Operator's Report, stating that no excursions had been reported during the previous month. Mr. Plunkett reported that a Notice of Violation was received from the Texas Commission on Environmental Quality ("TCEQ") stating that the TCEQ has not received the District's water quality data for 2016. Mr. Plunkett stated that Eagle checked its records and found proof that all required samples had been collected and sent to the TCEQ as required. Mr. Plunkett stated that correspondence was sent to the TCEQ with the proof of delivery.

Mr. Plunkett reported that the drain valves at the south digester aeration basin at the Wastewater Treatment Plant will be replaced tomorrow.

Mr. Plunkett next informed the Board that 750 smart meters have been installed in the District thus far. He also stated that Badger – Accurate Meter recently developed a new fully electronic meter which has a plastic adapter versus the current version of the meter with brass adapters. Mr. Plunkett further explained that the new meters are able to detect lower flow leak rates. He noted that he is still waiting to receive an updated pricing from Accurate Meter for the new electronic meters. The Board asked that the Amended Badger – Accurate Meter Agreement be added to the next meeting agenda.

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 IDS is working with Harris County on the plan approval for the extreme event swales.
- B. Operations Committee Meeting. The Operations Committee meeting was scheduled for May 25, 2017.
- C. Grand Parkway. Mr. Scully reported on his correspondence with the Texas Department of Transportation related to obtaining contact information for ZOPB.
- D. Bond Issue No. 13. Mr. Pugh stated that IDS is awaiting final approval of the Bond Application Report ("BAR") from TCEQ.

- E. Water Quality Monitoring for Water Wells Nos. 2, 3, 4, 5, and 6. Mr. Pugh reported that the March and April 2017 laboratory test results for benzene, toluene, ethyl benzene, or xylene (BTEX) in Water Wells Nos. 2, 3, 4, 5, and 6 are non-detect.
- F. 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. IDS is coordinating with the electrical engineering consultant to prepare redline markups for the control diagram drawings.
- G. WP Nos. 1 and 2. Mr. Pugh stated that once the control modifications have been made at WP No. 2, IDS will redesign the flow diagram for specific operational procedures, including transfer of surface water.
- H. Water Plant rehabilitation. Mr. Pugh reported that IDS is currently preparing preliminary plans and technical specifications for the GST Rehabilitation at Water Plant No. 2. The project will be advertised for bids near the end of summer to begin rehabilitation work in the fall.
- I. WWTP Odor Control. Mr. Carpenter reported that the odor control panel is operational. The electrical engineering consultant is preparing drawings for installation of flow meters and electrical equipment. Mr. Carpenter explained that the odor control system will require an additional control panel with separate power supply. He asked the Board to approve a proposal in the amount not to exceed \$5,500 to furnish and program the electrical equipment required for operation of the system.
- J. Sandy Stream Sewer Capacity Evaluation: Upsize required for Dungrove tract. There were no new matters to report.
- K. Lift Station ("LS") Panel replacements. Mr. Pugh reported that IDS is awaiting information from the electrical engineer to complete design.
- L. Emergency Generators for LS Nos. 1, 2 and 6. Mr. Pugh reported the generators have been installed and CenterPoint Gas has extended natural gas lines to the sites. Once gas meters are installed, Cummins or the Manufacturer will perform load tests for each generator.
- M. LS No. 2 – Sanitary Sewer force main. Mr. Pugh stated that a final walkthrough was held on Tuesday, January 31, 2017. No deficiencies were noted. IDS will issue a letter of substantial completion once the contractor has provided record drawings.
- N. NorthPointe Center – Phase 2 (Santikos). There were no new matters to report.
- O. Adriatic Café (Ekrem & Alban, LLC). There were no new matters to report.

- P. 136-Acre Finger Tract. The landowners are working with the State to agree upon land value for the condemnation.
- Q. Ashford Grove East, Section 2, WS&D Facilities. Mr. Pugh reported that a final walkthrough was held on January 31, 2017. No deficiencies were noted. IDS will issue a letter of substantial completion once the contractor has provided record drawings.
- R. Ashford Grove East, Sanitary Sewer Lift Station. Mr. Pugh reported that the construction is complete.

Next, upon motion by Director Cook, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board (i) authorized a proposal in the amount not to exceed \$5,500 to furnish and program the electrical equipment required for operation of the odor control system; and (ii) approved the Engineer's Report.

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

VI. **Attorney's Report.**

- A. Approval of minutes of the April 20, 2017 Board meeting. Upon motion by Director Cook, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board approved the minutes of the April 20, 2017 meeting as amended.

VII. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 7:48 p.m.

Passed and approved this 4th day of May, 2017.


Secretary, Board of Directors

Exhibits:

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