

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, June 15, 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, June 15, 2017, at the District's regular meeting place, whereupon the roll was called of the members of 11807 Skydale, Tomball, Texas 77375, 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 Bishop, thus constituting a quorum. Consultants in attendance were: Mike Plunkett of Eagle Water Management, Inc. ("Operator"); Kameron Pugh, E.I.T., of IDS Engineering Group ("IDS" or "Engineer"); Kaye Townley of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Robin Goin of Bob Leared Interests, Inc. ("Tax Assessor/Collector"); 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 Tyler Scully, attorney, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP" or "Attorney"). Also present was Greg Thomason, a member of the public.

The President called the meeting to order at 6:35 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. He reported no major outages at District facilities.

- III. **General Business.**
 - A. **District's Website.** The Board reviewed the website analytics report, a copy of which is attached hereto as Exhibit "B".
 - B. **Emergency Operations and repairs to District Facilities.** Mr. Plunkett reported that Water Well No. 4 has been repaired and is operational.

He also reported that 1000 BEACON Accurate smart meters have been installed in the District. As of this morning, 34 residents have registered for the online smart meter accounts.

Director Lackey reported that Messrs. Carpenter, Pugh, Plunkett and himself met with Richard Stetzer of Newman Regency Group ("Newman") to discuss the issues with the grit chamber at the Wastewater Treatment Plant. Newman could not find a solution to the problem and Mr. Stetzer has recommended that a technician from Smith & Loveless, Inc. ("S&L"), the manufacturer of the equipment, inspect the chamber. Director Lackey then presented a proposal from S&L, a copy of which is attached hereto as Exhibit "C". Director Lackey stated that the cost of the inspection is \$4,505, which includes the travel costs and eight (8) hours of labor. Director Lackey recommended the Operator purchase gauges for the chamber so that the technician is able to inspect the equipment after the gauges are installed. Discussion ensued, after which, upon motion by Director Daniel, seconded by Director Cook, after full discussion and with all Directors present voting aye, the Board authorized Director Lackey to approve the purchase of parts needed for the grit chamber repair; and approve proposal from S&L, as needed.

- C. Residential Recycling and Refuse of Texas ("RRRT") Monthly Recycling Report. The Board reviewed the RRRT report, a copy of which is attached hereto as Exhibit "D".
- D. Lift Station no. 6 communications. Mr. A. Dunn discussed communication issues between Lift Station No. 6 and Water Plant Nos. 1 and 2 and recommended the Comcast internet connection for Lift Station no. 6 due to its unlimited data service. Director Lackey stated that he will contact BL Technologies regarding a proposal for the installation of the SCADA equipment from the Comcast drop to the SCADA system.
- E. Resolution Requesting Estimate of Value from Harris County Appraisal District ("Resolution"). Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved the Resolution, a copy of which is attached hereto as Exhibit "E".
- F. Sales Revenue Inc. ("SRI") Agreement. Upon motion by Director Dunn, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board approved the SRI Agreement, a copy of which is attached hereto as Exhibit "F".

IV. **Tax Assessor/Collector's Report.** Ms. Goin reviewed the Tax Assessor/Collector's Report for the month of April 2017, a copy of which is attached hereto as Exhibit "G". Ms. Goin reported that 98.886% of the District's 2016 tax levy had been collected as of May 31, 2017. Ms. Goin also reported that Harris County Appraisal District has released the preliminary values for 2017 according to which the District's taxable value is \$685,493,429, which is approximately a \$30 million increase from the 2016 values.

Next, upon motion by Director Cook, seconded by Director Lackey, 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 check nos. 1252 through 1256.

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

Next, upon motion by Director Cook, seconded by Director Lackey, after full discussion, and with all Directors present voting aye, the Board voted to: (i) approve the Bookkeeper's Report; (ii) authorize payment of Check Nos. 15333 through 15402 from the Operating Fund; and (iii) authorize payment of Check No. 1689 from the Capital Projects Fund.

VI. **Engineer's Report.** Mr. Pugh updated the Board regarding the coating system for the Wastewater Treatment Plant odor control building.

Mr. Pugh next reported on the erosion issues at the Grand Parkway noting that there are markers on the right-of-way identifying the area maintained by the Texas Department of Transportation. He also stated IDS will review the photos to determine flow issues.

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

VIII. **Attorney's Report.**

A. **Water Wise Interlocal Agreement for 2017/2018 ("Interlocal Agreement").** The Board reviewed the Interlocal Agreement, a copy of which is attached hereto as Exhibit "I". Director Dunn noted that, as in previous years, the sponsorship budget allocated for Kohrville Elementary School and Blackshear Elementary School is \$8,000 per year with all 4th grade students at Kohrville Elementary School being sponsored and the remainder of funds being allocated to Blackshear Elementary School 4th grade students. Ms. Croon stated that she will remind the Harris-Galveston Subsidence District of the District's budget.

Next, upon motion by Director Cook, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board approved the Interlocal Agreement with the sponsorship budget of \$8,000 per year, a copy of which is attached hereto as Exhibit "I".

B. **Minutes of June 1, 2017 Board meeting.** Next, upon motion by Director Daniel, seconded by Director Cook, after full discussion and with all Directors present voting aye, the Board approved the minutes of the June 1, 2017 meeting as amended.

IX. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 7:35 p.m.

[EXECUTION PAGE FOLLOWS]

Passed and approved this 6th day of July, 2017.



Secretary, Board of Directors

Exhibits:

- "A" Security Report
- "B" Website analytics report
- "C" L&S proposal
- "D" Recycling report
- "E" Resolution
- "F" SRI Agreement
- "G" Tax Collector report
- "H" Bookkeeper report
- "I" Water Wise agreement