

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, July 6, 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, July 6 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"); Sergeant Walton of the Harris County Precinct 4 Constable's Office; and Tyler Scully, attorney, and Mirna Croon, paralegal, of Johnson Petrov LLP ("Attorney").

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. **General Business.**
 - A. District's Website. The Board discussed the website updates and reviewed the analytics report, a copy of which is reviewed hereto as Exhibit "A".
 - B. Pay Bills and Pay Estimates. Upon motion by Director Cook, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board approved Check Nos. 15403 through 15412, which will be listed on the next Bookkeepers Report.
 - C. Sales Revenue Inc. Report. This matter was tabled.
 - D. BL Technologies SCADA upgrade proposal. This matter was tabled.
 - E. Municipal Accounts and Consulting Amended Contract. Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved the Amended Contract, a copy of which is attached hereto as Exhibit "B".

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 "C". Mr. Plunkett noted that the District had 99.7% accountability for the period from May 12, 2017 to June 13, 2017. Mr. Plunkett also noted that during the last month 95.16% of the District's water came from the surface water source with the remainder from the District's groundwater wells.

Mr. Plunkett next informed the Board that 1200 smart meters have been installed in the District thus far.

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 "D".

- A. **Northern Point Drainage.** Mr. Pugh reported that IDS finalized the model for the Pinecrest Forest-Three Lakes East basins. The model shows that during the 100-year rainfall event, the discharge from the Northern Point Detention Basin is released from the Three Lakes East system into the Huffmith-Khorville drainage system. IDS will be unable to increase pump rates with the existing storm sewer configuration and is coordinating with Harris County regarding the possibility of utilizing their drainage improvements to accommodate the increased discharge rates from Northern Point.
- B. **Operations Committee Meeting.** The Operations Committee meeting was scheduled for July 27, 2017.
- C. **Grand Parkway.** Mr. Pugh reported that IDS was informed that the District is alleviated of any channel maintenance within the Texas Department of Transportation right-of-way and is not responsible for this portion of the channel. Mr. Pugh stated that IDS met with the District's landscaper for a site inspection and is in the process of reviewing photos and inspection notes. Once the photos and inspection notes have been reviewed, IDS will determine if there are any potential issues outside of the Texas Department of Transportation right-of-way that were caused by the Grand Parkway construction activities.
- D. **Bond Issue No. 13.** The Bond application has been approved.

- E. Water Quality Monitoring for Water Wells Nos. 2, 3, 4, 5, and 6. Mr. Pugh reported that the May and June 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 piping modifications and redline diagrams are complete.
- G. WP Nos. 1 and 2. Mr. Pugh reported that the redline drawings of the WP No. 2 control diagrams to allow surface water to be transferred from WP No. 2 to WP No. 1 are complete.
- H. Water Plant rehabilitation. Mr. Pugh stated that the preliminary plans and technical specifications for the Ground Storage Tank Rehabilitation are being prepared. IDS will begin advertising near the end of summer in order to begin rehabilitation work in the fall.
- I. Phase 3 Sanitary Sewer Rehab. The point repairs are complete.
- J. WWTP Odor Control. Mr. Pugh reported that the odor control panel is operational. The electrical drawings for installation of flow meters and electrical equipment are complete. EFS is working to complete the electrical modifications. Mr. Carpenter stated that IDS recommends replacement of the valves and some WWTP recoating. IDS will present a cost estimate for recommended repairs at a future Board meeting.
- K. Sandy Stream Sewer Capacity Evaluation: Upsize required for Dungrove tract. There were no new matters to report.
- L. Lift Station ("LS") Panel replacements. Mr. Pugh reported that IDS is awaiting information from the electrical engineer to complete design.
- M. 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. IDS is coordinating with Cummins to have batteries installed and to schedule startup and conditioning.
- N. LS No. 2 – Sanitary Sewer force main. The Contractor has submitted Pay Application No. 3, which is the final pay application, in the amount of \$8,035. Mr. Pugh stated that IDS recommends approval of Pay Application No. 3.
- O. NorthPointe Center – Phase 2 (Santikos). There were no new matters to report.
- P. Adriatic Café (Ekrem & Alban, LLC). There were no new matters to report.
- Q. 136-Acre Finger Tract. The landowners are working with the State to agree upon land value for the condemnation.

- R. Ashford Grove East, Section 2, WS&D Facilities. The construction is complete.
- S. Ashford Grove East, Sanitary Sewer Lift Station. Mr. Pugh reported that the construction is complete; however, operation and maintenance manuals are not yet approved.
- T. 9.6-acre Riverside tract potential annexation. Mr. Carpenter reported that a developer has requested water and sewer service from the District for the tract located on the south side of Boudreaux and west of Huffsmith- Khorville Rd. The Developer would like to develop the property as light commercial/industrial development. Mr. Carpenter asked the Board to authorize IDS to prepare a feasibility study regarding the potential annexation, subject to receipt of the annexation deposit.

Next, upon motion by Director Cook, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board (i) approved Pay Application No. 3 in the amount of \$8,035 related to the Lift Station No. 2 – Sanitary Sewer Forcemain project; (ii) authorized IDS to prepare a feasibility study related to the 9.6-acre Riverside tract annexation, subject to receipt of the annexation deposit; and (iii) approved the Engineer's Report.

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

VI. **Attorney's Report.**

- A. Rate Order violations. The Board next discussed correspondence from a resident whose water meter was pulled due to unpaid water bills and illegal connection to his neighbor's water supply. Mr. Plunkett stated that the current amount owed by the resident is \$1134.96. Sergeant Walton stated that a criminal charge may be filed against the resident for the illegal connection. Discussion ensued regarding the Rate Order violations committed by the resident, after which the Board asked that JP prepare and send correspondence to the resident informing him of such violations.
- B. Approval of minutes of the June 15, 2017 Board meeting. Upon motion by Director Dunn, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board approved the minutes of the June 15, 2017 meeting as amended.

VII. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 8:40 p.m.

Passed and approved this 20th day of July, 2017.


Secretary, Board of Directors

Exhibits:

- "A" – Website Analytics Report
- "B" – Municipal Accounts and Consulting Amended Contract
- "C" – Operator's Report
- "D" – Engineer's Report