

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, August 3, 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, August 3, 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: 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 Curry and Deputy Alobaidi of the Harris County Precinct 4 Constable's Office; and Tyler Scully, attorney, of Johnson Petrov LLP ("Attorney").

The President called the meeting to order at 6:56 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 and/or pay estimates presented.
 - C. **Sales Revenue Inc. Report.** 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 99.3% accountability for the period from June 13, 2017 through July 13, 2017. Mr. Plunkett also noted that during the last month 93.52% of the District's water came from the surface water source with the remainder from the District's groundwater wells.

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 Bishop, 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 coordinating with Harris County discussion regarding the possibility of utilizing the drainage improvements that will serve Huffsmith-Kohrville road expansion.

IDS solicited bids for the Extreme Event Swales to Serve Northern Point project. They were opened on August 2, 2017. The low bidder was Camino Services, LLC, in the amount of \$98,302.75. Mr. Pugh stated that because the bid exceeds the \$75,000 threshold, the project will need to be publicly bid.

- B. Operations Committee Meeting. The Operations Committee meeting was scheduled for August 30, 2017.

- C. Grand Parkway. Mr. Pugh reported that the area along Grand Parkway within the Texas Department of Transportation ("TxDoT") right-of-way is to be maintained by TxDoT.

- D. Water Quality Monitoring for Water Wells Nos. 2, 3, 4, 5, and 6. Mr. Pugh reported that the 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.

- E. Water Plant ("WP") No. 2. Mr. Pugh reported that the piping modifications and redline diagrams are complete.

- F. 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.

- G. 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 next month.

- H. Phase 3 Sanitary Sewer Rehab. The phase 3 point repairs are complete. IDS is working to obtain a proposal for the phase 4 sanitary sewer rehabilitation work.

- I. WWTP Odor Control. Mr. Pugh reported that the odor control panel is operational. EFS is working to complete the electrical modifications.

- 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. IDS is coordinating with Cummins to have batteries installed and to schedule startup and conditioning.
- M. Wastewater Treatment Plant Rehabilitation. Mr. Pugh stated that an inspection was held last month at the WWTP site and deficiencies were noted. IDS is preparing a detailed opinion of probable costs and plan to present the cost estimate at the next meeting.
- N. NorthPointe Center – Phase 2 (Santikos). There were no new matters to report.
- O. 136-Acre Finger Tract. The landowners are working with the State to agree upon land value for the condemnation.
- P. 9.6-acre Riverside tract potential annexation. The developer is working with the landowner to purchase land for commercial use. Mr. Pugh stated that IDS requests approval to conduct a feasibility study contingent upon receipt of the annexation deposit in the amount of \$7500.

Next, upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board (i) authorized IDS to prepare a feasibility study related to the 9.6-acre Riverside tract annexation, subject to receipt of the annexation deposit; and (ii) 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 improper connection to the resident's neighbor's water supply in violation of the District's Rate Order.
- B. Approval of minutes of the July 20, 2017 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 June 20, 2017 meeting as amended.

VII. Adjournment. With no additional matters before the Board, the Board adjourned the meeting at 8:26 p.m.

Passed and approved this 17th day of August, 2017.



Secretary, Board of Directors

Exhibits:

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