

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, October 4, 2018

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, October 4, 2018, at the District meeting place located inside the District, 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: Mike Plunkett and Erika Martinez of Eagle Water Management, Inc. ("Operator"); Kameron Pugh, E.I.T., of IDS Engineering Group ("IDS" or "Engineer"); Mark Miller of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Cary Dunham of Dungrove L.L.C.; Andrew Dunn and Dorian Santana of On-Site Protection, L.L.C.; Kevin Atkinson of Texas Pride Disposal ("TPD"); and Andrew P. Johnson, III, and Carter Dean, attorneys, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP" or "Attorney").

The President called the meeting to order at 6:45 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 Estimates.** There were no pay bills/estimates presented.
 - C. **Discuss Security matters.** This matter was tabled until later in the meeting.
 - D. **Procedures for Internet Communication Systems.** This matter was tabled until later in the meeting.
 - E. **Upgrade to Existing Video Facilities.** This matter was tabled until later in the meeting.
 - F. **Annual Review of Investment Policy/Investment Strategies.** Upon motion by Director Cook, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board approved the Order Reviewing Investment Policy/Strategies, a copy of which is attached hereto as **Exhibit "A"**.

- G. Residential Solid Waste Recycling Contract with TPD. The President recognized Mr. Atkinson who first thanked the Board for awarding the recycling contract to TPD. Mr. Atkinson stated that the District's current recycling collection provider, Residential Recycling and Refuse of Texas ("RRRT"), offered to sell its recycling containers currently in the District to TPD. Mr. Atkinson stated that TPD would prefer to provide its own recycling containers to the District as they are new and have the TPD logo. Mr. Atkinson noted that TPD would collect recycling from RRRT containers or any other container marked 'for recycling'. Mr. Atkinson next stated that RRRT inquired if TPD would be interested in starting the Contract on November 1, 2018 instead of on December 1, 2018. Discussion ensued regarding the notification methods that will be used to inform residents about the recycling provider change. Mr. Atkinson stated that residents will be informed of the change via flyers placed in new bins and water bill inserts. Mr. Plunkett noted that water bills will be sent at the end of October, 2018, thus some residents may not receive the notice by November 1, 2018. Following discussion, the Board agreed to keep December 1, 2018 as the start date for TPD to insure that water bill inserts are received by residents. Mr. Atkinson also stated that he will check whether it would be possible for TPD to collect recycling on Mondays versus Mondays and Thursdays as listed in the Contract, or at least on a single day of the week.

Next, upon motion by Director Bishop, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board approved the Residential Solid Waste Recycling Contract with TPD, a copy of which is attached hereto as Exhibit "B".

III. Developer's Report. Mr. Dunham reported that there is a potential buyer for the Dungrove tract located next to the Fred Haas Nissan dealership. The buyer is a home builder who plans to build a single-family residential development on the tract. The buyer may attend the next Board meeting to provide the Board with more information.

IV. 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 92.3% accountability for the period from August 15, 2018 through September 14, 2018. He also noted that 91.24% of the District's water came from the surface water source with the remainder from the District's groundwater wells.

Mr. Plunkett next reported that all smart meters have been installed. He noted that 209 customers have signed up for the EyeOnWater app thus far. EyeOnWater post cards with sign up instructions will be posted on the District website and mailed to residents.

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 or termination of water service would occur at any time after this meeting.

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.

V. **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 is planning a meeting with the Contractor to discuss a solution for screening the bottom portion of the stormwater quality structure.

The Contractor will have two (2) crews on site to finish construction of the swales. The work on the swales should be completed in approximately five (5) weeks, weather permitting.

B. **Facility Improvement and Maintenance Plan.** Mr. Pugh stated that IDS is planning to reevaluate the bond sale requirements once it receives information from Harris County regarding potential financial contribution.

C. **Hufsmith-Kohrville Improvements.** Mr. Pugh presented to and reviewed with the Board an offer from Harris County for a partial acquisition of a 0.0738 acres roadway easement needed for development of the Hufsmith-Kohrville Road Segment 3 project. The County has offered the District \$11,253 as compensation for the land to be acquired and \$650 as compensation for affected improvements. Director Lackey expressed concern that \$650 will not be sufficient to remove and relocate the fence on the property. Director Lackey also proposed staking the location of the easement to identify the property. Discussion ensued after which the Board asked IDS to check if the County would relocate the fence at the County's cost. Mr. Pugh stated that IDS will have the location staked and will ask the County to cover the costs of the fence removal/relocation. No further action was taken on this matter.

D. **Operations Committee Meeting.** The Operations Committee meeting has been scheduled for October 23, 2018.

E. **Water Quality Monitoring for Water Wells Nos. 2, 3, 4, 5, and 6.** Mr. Pugh reported that the September 2018 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 Nos. 1 and 2.** An orifice plate to control flow between Water Plant No. 2 and Water Plant No. 1 has been installed.

G. **Water Plant ("WP") Ground Storage Tank Rehabilitation.** The contractor is finished with all the coating and is cleaning up the site. The Contractor has

presented a proposal and color options for the doors that will be installed on the controls and chemical building.

- H. Phase 4 Sanitary Sewer Rehab. A preconstruction meeting was held on September 28, 2018, and the notice to proceed has been issued for work to begin on October 8, 2018. This is a 90-calendar day contract, thus the expected completion date is January 9, 2019.
- I. Sandy Stream Sewer Capacity Evaluation: Upsize required for Dungrove tract. There were no new matters to report.
- J. Lift Station ("LS") Panel Replacements. Mr. Pugh reported that IDS has received specifications from the manufacturer and is reviewing the information.
- K. Wastewater Treatment Plant ("WWTP") Rehabilitation. The work is complete. IDS will conduct an inspection of the wet well coatings prior to the end of the one-year warranty to address any potential deficiencies in the coating.
- L. NorthPointe Center – Phase 2 (Santikos). The plans have been approved and the contractor has mobilized.
- M. 136-Acre Finger Tract. A developer has contacted IDS regarding a feasibility study for the development. The proposed development should consist of a 400-unit multi-family development, a hotel, and other commercial development. The developer is prepared to send the \$7,500 feasibility deposit. IDS requested authorization to begin the feasibility study upon receipt of the deposit.
- N. 9.6-acre Riverside Tract Potential Annexation. The developer is working with the landowner to purchase land for commercial use.
- O. Hufsmith Heights tract. There are no matters to report.
- P. Little Woodrows. The developer's engineer is preparing plans for a Little Woodrow's west of Coons Road and South of Timber Tech Road, near HMT properties. The developer has purchased the land and is working with Harris County on the development design for detention facilities.

Next, upon motion by Director Bishop, seconded by Director Cook, after full discussion and with all Directors present voting aye, the Board (i) authorized IDS to prepare a feasibility study for the Finger tract, subject to receipt of the annexation deposit; and (ii) approved the Engineer's Report.

VI. **General Business (continued).**

- A. Procedures for Internet Communication Systems. Mr. Dunn presented to and reviewed with the Board four (4) proposals for the construction of two (2) monopole towers for wireless communication, copies of which are attached hereto as Exhibit

"E", "E-1", "E-2" and "E-3". Mr. Dunn explained that the towers need to exceed the tree line to avoid communication disruptions. Mr. Dunn recommended the Board approve a low bid submitted by Romain Tower, Inc. in the amount of \$57,505 per tower. Discussion ensued regarding the maximum height limit for communication towers. Mr. Dunn stated that Romain Tower Inc. quote includes two (2) monopoles 140 feet in height and he will check if the quoted height is in accordance with the Federal and/or State Communication Tower regulations. Mr. Dunn stated that it is his understanding that a tower wind rated to 110mph is sufficient.

- B. Comcast Agreement. Mr. Dunn reported on correspondence with Comcast regarding internet service. He stated that he will obtain quotes from several internet providers and present them at the Operations meeting.

VII. **Attorney's Report.**

- A. Best Trash Rate Increase Request. Mr. Johnson presented to and reviewed with the Board a rate increase request from Best Trash, a copy of which is attached hereto as Exhibit "F". Mr. Carter reviewed a memo regarding same, a copy of which is attached hereto as Exhibit "F-1". A Best Trash representative is planning to attend the next Board meeting to discuss the increase. No action was taken.
- B. Minutes of September 20, 2018 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 September 20, 2018 Board meeting as amended.

VIII. **General Business (continued).**

- A. Upgrade to Existing Video Facilities. Mr. Dunn presented a proposal to upgrade the video security system at Lift Station No. 5 at a cost of \$7,109.97. A copy of the proposal is attached hereto as Exhibit "G". Next, Mr. Santana gave a video presentation of the new system. Following the presentation, the Board discussed using bond proceeds to upgrade the video security system at all District facilities and asked Mr. Dunn to provide a cost estimate regarding same. No action was taken on this matter.

- IX. **Adjournment**. With no additional matters before the Board, the Board adjourned the meeting at 8:55 p.m.

[EXECUTION PAGE FOLLOWS]

Passed and approved this 18th day of October, 2018.


Secretary, Board of Directors



The seal is circular with a rope-like border. Inside the border, the words "HARRIS COUNTY TEXAS" are written around the perimeter. In the center, there is a five-pointed star. Below the star, the year "1836" is visible.

Exhibits:

- "A" Order Reviewing Investment Policy
- "B" Residential Solid Waste Recycling Contract with TPD
- "C" Operator Report
- "D" Engineers Report
- "E" Christian Tower Service proposal
- "E-1" Pexx, Inc. proposal
- "E-2" Romain Tower, Inc. proposal
- "E-3" East Texas Towers, LLC proposal
- "F" Best Trash Rate Increase Request
- "F-1" Best Trash Rate Increase Memorandum
- "G" On-Site Video Upgrade proposal

**CERTIFICATE OF ORDER REVIEWING INVESTMENT POLICY
AND INVESTMENT STRATEGIES**

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

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We the undersigned officers of the Board of Directors (the "Board") of HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368 (the "District") hereby certify as follows:

The Board convened in regular session, open to the public, on Thursday, October 4, 2018, at 6:30 p.m., at 25510 Tomball Parkway, Tomball, Texas, 77375, and 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
Allison V. Dunn	Assistant Secretary
Eric Daniel	Treasurer

All members of the Board were present except the following: None, thus constituting a quorum. Whereupon other business, the following was transacted at such Meeting: A written

**ORDER REVIEWING INVESTMENT POLICY
AND INVESTMENT STRATEGIES**

was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be adopted; and after full discussion, such motion, carrying with it the adoption of such Order prevailed, carried, and became effective by the following vote:

AYES: 5 NOES: 0

A true, full and correct copy of the aforesaid Order adopted at the Meeting described in the above foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in the Board's minutes of such Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such Meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board are duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of such Meeting, and that such Order would be introduced and considered for adoption at such meeting, and each of the officers and members consented, in advance, to the holding of such Meeting for such purpose; and such Meeting was open to the public and public notice of the time, place, and purpose of such Meeting was given, all as required by Chapter 551 of the Texas Government Code and Section 49.063 of the Texas Water Code, as amended.

SIGNED this 4th day of October, 2018.


Secretary, Board of Directors


President, Board of Directors

ORDER REVIEWING INVESTMENT POLICY AND INVESTMENT STRATEGIES

STATE OF TEXAS §
COUNTY OF HARRIS §
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368 §

WHEREAS, HARRIS COUNTY MUNICIPAL DISTRICT NO. 368 (the "District") is a political subdivision of the State of Texas created pursuant to Article XVI, Section 59, Texas Constitution, and operating under the provisions of Chapters 49 and 54, Texas Water Code; and

WHEREAS, as a political subdivision of the State of Texas, the District is subject to the requirements of the Texas Public Funds Investment Act (the "Act"), Texas Government Code Ann. Section 2256.001, *et seq.* (Vernon Supp. 1998); and

WHEREAS, the Board of Directors of the District has previously adopted an Investment Policy and Investment Strategies in compliance with the requirements of the Act; and

WHEREAS, pursuant to Section 2256.005 of the Act, the District is required to annually review its Investment Policy and Investment Strategies, and adopt a written instrument stating that such Investment Policy and Investment Strategies have been reviewed, and recording any changes thereto.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

1. That the recitals contained herein above are found to be true and correct.
2. The Board of the District in conformance with the Public Funds Investment Act has performed its annual review of the District's investment policy and investment strategies.
3. The Board of the District hereby adopts the list of brokers attached hereto as **Exhibit "A"** as the brokers authorized to engage in investment transactions with the District.
4. That this Order shall be effective immediately upon its adoption.

* * * * *

2018

LIST OF AUTHORIZED BROKERS

ABC Bank
Allegiance Bank
Amegy Bank of Texas, N.A.
Austin Capital Bank
BB & T
BancorpSouth
Bank of America N.A.
Bank of New York- Mellon
Bank of Texas N.A.
BBVA Compass Bank
Business Bank of Texas
Cadence Bank
Capital Bank of Texas
Capital Markets Group
Capital One
Central Bank
Chasewood Bank
Citibank N.A.
Comerica Bank
Comerica Securities
Commercial State Bank
Community Bank of Texas
Community Trust Bank
Coastal Securities
First Bank of Texas
First Citizens Bank
First Financial Bank, N.A.
First National Bank of Texas
First Texas Bank
Frontier Bank of Texas
Frost National Bank
Green Bank
Herring Bank
Hometown Bank, N.A.
Iberia Bank
Icon Bank
Independent Bank
International Bank of Commerce
Inter National Bank
JP Morgan Chase
Legacy Texas Bank
Lone Star Bank
Lone Star Investment Pool
Metro Bank, N.A.
Moody National Bank
New First National Bank
North Star Bank of Texas
Omni Bank N.A.
Pioneer Bank
Plains Capital Bank
Plains State Bank
Post Oak Bank
Preferred Bank
Prosperity Bank
R Bank
Regions Bank
SouthStar Bank
Southwest Securities
Spirit of Texas Bank
State Bank of Texas
State Street Bank & Trust Co.
Stifel Nicholas
Tex Star Investment Pool
Texan Bank
Texas Capital Bank N.A.
Texas Class
Texas Citizens Bank
Texas Exchange Bank
Texas First Bank
Texas Gulf Bank
Texas Regional Bank
The Independent Bankers Bank
The Mint National Bank
Texas Savings Bank
Texpool/Texpool Prime
The Right Bank for Texas
Third Coast Bank
Trustmark National Bank
United Bank of el Paso Del Norte
United Texas Bank
Unity National Bank
U. S. Bank
Wells Fargo Bank, N.A.
Wells Fargo Brokerage Services, LLC
Wells Fargo Trust
Westbound Bank
West Star Bank
Whitney Bank
Woodforest National Bank

RESIDENTIAL SOLID WASTE RECYLING COLLECTION CONTRACT

This Residential Solid Waste Collection Contract (the "Contract") is entered into this October 4, 2018, by and between Harris County Municipal Utility District No. 368 (hereinafter referred to as "District" or "Customer") and Texas Pride Disposal Solutions LLC, DBA Texas Pride Disposal (hereinafter referred to as "Texas Pride Disposal").

If this Contract is accepted by both parties, collection will begin on December 1, 2018 ("Effective Date").

In consideration of the covenants and agreements set out and the payments provided for, Texas Pride Disposal and Customer agree as follows:

1. Contract Amount

Texas Pride Disposal will be paid \$3.05 per month per active residential water connection for once-weekly recycling collection, based on the connection count provided by the operator for the Customer.

2. Payment

A. For services defined in this Contract, Texas Pride Disposal shall invoice Customer on a monthly basis. Customer agrees to make full payment to Texas Pride Disposal within forty-five (45) days of receipt of Texas Pride Disposal's invoice.

B. Except as otherwise provided by this Contract, the rate of compensation shall remain effective for a period of twenty-two (22) months. The rate of compensation shall thereafter be automatically adjusted once each year on the anniversary date of this Contract, and continuing through any and all renewal terms, based upon the Local CPI: CPI-U: Selected Items, All Items Index, Houston-Galveston-Brazoria, TX.

3. Grant of Exclusive Authority

During the term of this Contract, Customer will not contract with any other entity for the purpose of collection and disposal of residential recycling within the boundaries of the Customer or any tracts, territories, or areas hereafter annexed or to be acquired by the Customer. Notwithstanding the foregoing, Customer may contract with another entity, as necessary, for garbage collection services within the boundaries of the District and dumpster services at the Customer's facilities.

4. Term

A. The initial term of the Contract shall be for a twenty-two (22) month period beginning upon the Effective Date of the Contract. The term of this Contract shall be automatically renewed for a one (1) year period unless either party shall give written notice of termination by certified or registered mail, return receipt requested to the other party at least sixty (60) days prior to the termination of the initial term, or any renewal term.

B. Notwithstanding the foregoing and as a supplemental and additional means of termination of this Agreement, in the event that the District finds, in its sole discretion, that Texas Pride Disposal's record of performance shows that Texas Pride Disposal has frequently, regularly or repetitively defaulted in the performance of its obligations hereunder or any of the covenants and conditions required to be kept and performed by Texas Pride Disposal in the opinion of the District and regardless whether Texas Pride Disposal has corrected each individual condition of default, Texas Pride Disposal shall be deemed by District to be a habitual violator, shall forfeit the right to any further notice, including any applicable notice of cure period, and all of said defaults shall be considered cumulative and collective and shall constitute a condition of irredeemable default. District shall thereupon issue Texas Pride Disposal a final written notice citing the circumstances therefore, and any single default of Texas Pride Disposal of whatever nature, subsequent to the occurrence of the last of said cumulative defaults, shall be grounds for immediate termination of the Agreement.

C. In addition to the above, Texas Pride Disposal may petition the Customer at any time for additional rate and price adjustments at reasonable times on the basis of unusual changes in its cost of operations, such as revised laws, ordinances and regulations; changes in location of disposal sites or changes in disposal charges; and increase in the number of residential units, such as District growth or annexation. Any such rate adjustment must be pre-approved in writing by Customer, in its sole discretion, before becoming effective; if the Customer and Texas Pride Disposal cannot agree to a new rate, either may terminate this contract with sixty (60) days' written notice.

5. Right of Assignment

This Contract, as well as the rights hereunder, may be assigned by Texas Pride Disposal, as well as any and all successors at its option but only with prior written approval of the Customer. District may terminate the Contract upon such event with thirty (30) days' written notice.

6. Work Specifications

Garbage collection services are not included in this Contract.

7. Recycling

A. On each regularly scheduled collection day, Monday or Thursday, Texas Pride Disposal will collect residential recyclables located curbside. Recyclables should be placed in the Texas Pride Disposal-provided bin, old recycle bins, or containers clearly labeled RECYCLE.

B. Texas Pride Disposal will provide each household with one (1) eighteen (18) gallon recycle bin. Additional, lost, or stolen containers can be purchased or replaced for \$10 plus applicable sales tax by contacting Texas Pride Disposal.

8. Operation

A. Hours of Operation: Collection of refuse will not start before 7:00 a.m. or continue after 7:00 p.m. on the same day. Exceptions would be due to unusual circumstances.

B. Holidays: If the scheduled collection day falls on any of the following holidays, the normal services will be resumed the following scheduled collection day. Holidays are: New Year's Day, Independence Day, Thanksgiving Day, and Christmas Day.

C. Complaints: All complaints will be made to Texas Pride Disposal. If a residence is missed due to Texas Pride Disposal's negligence, Texas Pride Disposal will pick up said residence within twenty-four (24) hours of such notice.

D. Office: Texas Pride Disposal can be reached by phone during normal office hours from 8:00 a.m. to 5:00 p.m. Monday through Friday, or by email at service@texaspridedisposal.com.

9. Force Majeure

The performance of this Contract may be suspended and the obligations hereunder excused in the event and during the period that such performance is prevented by a cause or causes beyond reasonable control of a party. Such causes shall include, but not limited to, acts of God, acts of war, riot, fire, explosion, accident, flood or sabotage; fuel shortages, lack of power or raw materials; judicial or governmental laws, regulations (provided that neither party shall be required to settle a labor dispute against its own best judgment). A missed collection due to causes beyond reasonable control of Customer or Texas Pride Disposal will be collected on the next scheduled pick-up day or as soon as possible when conditions are safe to resume service. Collection of debris and waste generated by a force majeure are not included under the terms and conditions of this Contract. In the event of such circumstances and to the best of its ability, Texas Pride Disposal and the Customer may negotiate collection and rates for such debris and waste.

10. Indemnification

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, TEXAS PRIDE DISPOSAL AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS, ITS OFFICERS, DIRECTORS, EMPLOYEES, AND AGENTS HARMLESS FROM AND AGAINST ALL CLAIMS, DEMANDS, CAUSES OF ACTION, SUITS, JUDGEMENTS, PENALTIES, LIABILITIES, DEBTS, OR DAMAGES, INCLUDING ALL COSTS, EXPENSES AND ATTORNEYS' FEES THEREOF, OF ANY NATURE, KIND OR DESCRIPTION, RESULTING FROM THE PERFORMANCE OF ITS DUTIES UNDER THE TERMS OF THIS CONTRACT, INCLUDING BUT NOT LIMITED TO, PERSONNEL FURNISHED BY TEXAS PRIDE DISPOSAL, OR ITS SUPPLIES AND SUBCONTRACTORS OF ANY TIER ON ACCOUNT OF BODILY INJURY, DEATH OR DAMAGE TO OR LOSS OF PROPERTY IN ANY WAY OCCURRING, INCIDENT TO, ARISING OUT OF, OR IN CONNECTION WITH THE WORK PERFORMED OR TO BE PERFORMED BY TEXAS PRIDE DISPOSAL, ITS PERSONNEL, AGENTS,

SUPPLIERS AND SUBCONTRACTORS (AND THEIR RESPECTIVE PERSONNEL) IN THE DISTRICT. ALL (1) REGARDLESS OF WHETHER OR NOT DISTRICT, ITS DIRECTORS OR AGENTS ARE NEGLIGENT IN WHOLE OR IN PART, AND EVEN WHEN CAUSED BY THE JOINT, CONCURRENT OR SOLE FAULT OR NEGLIGENCE OF DISTRICT, ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, AND (2) REGARDLESS OF WHETHER OR NOT TEXAS PRIDE DISPOSAL, ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE NEGLIGENT IN WHOLE OR IN PART AND WHEN CAUSED BY THE JOINT, CONCURRENT OR SOLE FAULT OR NEGLIGENCE OF TEXAS PRIDE DISPOSAL, ITS OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS.

11. Licenses

Texas Pride Disposal will, at its expense, obtain all licenses and permits necessary for the performance of Texas Pride Disposal's services as set forth by the Contract. Texas Pride Disposal agrees to comply with all of the existing laws and regulations of the Local, State of Texas, and Federal agencies and any further laws or regulations which may be enacted by same, and agrees to comply with the prescribed or enforced regulations pertaining to the subject matter of the Contract. Waste pursuant to the contract will be deposited at sanitary landfills approved and permitted to operate by the Texas Commission on Environmental Quality and any other applicable regulatory agency as required by applicable laws and regulations.

12. Insurance

Texas Pride Disposal shall obtain and maintain throughout the term of this Contract, at its sole cost and expense, insurance of the types and in the minimum amounts set forth below. Upon execution of this Contract, Texas Pride Disposal shall furnish to Customer certificates of insurance and any endorsement required hereunder issued by the insurance carrier evidencing compliance with the insurance requirements hereof. Certificates shall list Texas Pride Disposal, the name of the insurance company, the policy number, the term of coverage, and the limits of coverage. Texas Pride Disposal shall cause its insurance companies to provide Customer with at least thirty (30) days prior notice of any reduction in the limit of liability by endorsement of the policy, cancellation, or non-renewal of the insurance coverage required under this Contract. Texas Pride Disposal shall obtain such insurance from such companies having a Bests rating of B+/VII or better, licensed to transact business in the State of Texas, and shall obtain such insurance of the following types and minimum limits:

A. Worker's Compensation:

- \$1,000,000 Bodily Injury (Each Accident)
- \$1,000,000 Bodily Injury By Disease (Each Employee)
- \$1,000,000 Bodily Injury By Disease (Policy Limit)

B. General Liability:

- \$1,000,000 Each Occurrence
- \$1,000,000 Personal & Advertising Injury
- \$2,000,000 General Aggregate
- \$2,000,000 Products/Completed Operations Aggregate

\$300,000 Damage To Rented Premises (Each Occurrence)
\$10,000 Medical Expense (Any One Person)

C. Automobile Liability:

\$1,000,000 Combined Single Limit (Each Accident)

D. Excess Umbrella:

\$5,000,000 Each Occurrence

\$5,000,000 Aggregate

Customer and the Customer's agents and employees shall be added as additional insured to all coverages required under this Contract, except for worker's compensation insurance and professional liability insurance, using ISO form CG 2010 (07 04) or equivalent. All policies written on behalf of Contractor shall contain a waiver of subrogation in favor of the Customer and the Customer's agents, and employees with the exception of professional liability insurance. In addition, all of the aforesaid policies shall be endorsed to provide that they are primary coverages and not in excess of any other insurance available to the customer, and without rights of contribution or recovery against the Customer or from any such other insurance available to the Customer. Texas Pride Disposal and not the Customer shall be responsible for paying the premiums and deductibles, if any, that may from time to time be due under all the insurance policies required of Texas Pride Disposal. Certificates of insurance acceptable to Customer shall be submitted to Customer prior to the commencement of work.

13. Independent Contractor

Texas Pride Disposal has been retained by Customer for the sole purpose and to the extent set forth in this Contract. Texas Pride Disposal's relationship to Customer during the term of this Contract is that of an independent contractor.

14. Notices

Notices, requests, demands, and other communications hereafter shall be in writing and delivered or mailed prepaid to:

CONTRACTOR:
Texas Pride Disposal
PO Box 1186
Rosenberg, TX 77471

CUSTOMER:
Harris County MUD No. 368
C/O Johnson Petrov LLP
2929 Allen Parkway, Suite 3150
Houston, TX 77019

15. Governing Law

This Contract shall be construed in accordance with and shall be governed by the laws of the State of Texas. Venue shall be in Harris County, TX.

16. Boycott Certification

Customer, in accordance with Chapter 2270 of the Texas Government Code, effective September 1, 2017, does hereby agree, confirm and verify that it: a) Does not Boycott Israel; and b) Will not Boycott Israel during the term of this contract. "Boycott Israel" has the meaning given to it in Chapter 808 of Subtitle A., Title 8 of the Texas Government Code. As of the effective date of the statute, the term means "refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes." Texas Pride Disposal, hereby acknowledges and agrees that this verification is a material term of the contract and Customer is expressly relying on this verification in agreeing to enter into the contract with Texas Pride Disposal.

17. Terrorist Organization Certification

As a condition of this Contract, Texas Pride Disposal represents and warrants that at the time of this Contract Texas Pride Disposal: (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller under Sections 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

18. Entire Agreement

This Contract contains the entire agreement between the parties. All prior negotiations between the parties are merged in this Contract, and there are no understandings or agreements other than those incorporated herein. This Contract may not be modified except by written instrument signed by both parties. In the event of a conflict between any of the foregoing provisions of the Contract, the former shall be controlling.

[EXECUTION PAGE FOLLOWS]

Texas Pride Disposal Solutions LLC

By: [Signature]

Title: Owner

Printed Name: [Signature]

Date: 10/4/18

Harris County MUD No. 368

By: [Signature]

Title: President

Printed Name: Roy P. Lacey

Date: October 4, 2018



P.O BOX 11750
SPRING, TEXAS 77391-1750
281-374-8989

OPERATIONS REPORT

For

HARRIS COUNTY MUD #368

OCTOBER 4, 2018
BOARD MEETING

MONTHLY ACTIVITY REPORT
FOR
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT # 368

COLLECTIONS DATE RANGE: August 21, 2018 thru September 20, 2018

Water Collections:	\$ <u>90,429.86</u>
Sewer Collections:	<u>159,818.71</u>
NHCRWA Fees:	<u>132,926.87</u>
Security Service Fees	<u>10,850.00</u>
Late Letter Fees:	<u>3463.81</u>
Penalties:	<u>6,418.15</u>
Deposits:	<u>10,995.13</u>
Transfer Fees:	<u>1,800.00</u>
Service Fees:	<u>0</u>
Miscellaneous:	<u>4,071.66</u>
Unapplied Payments/Overpayments:	<u>2,374.71</u>

TOTAL COLLECTIONS: **\$423,148.90**

CURRENT BILLING DUE FOR PERIOD ENDING September 14, 2018:

Water:	\$ <u>82,034.25</u>
Sewer:	<u>161,496.83</u>
NHCRWA Fees:	<u>124,955.48</u>
Security Service Fee:	<u>14,910.00</u>

TOTAL CURRENT BILLING: **\$383,396.56**

PREPARED BY: EAGLE WATER MANAGEMENT, INC.

**HARRIS COUNTY MUD #368
OCTOBER 2018 MEETING**

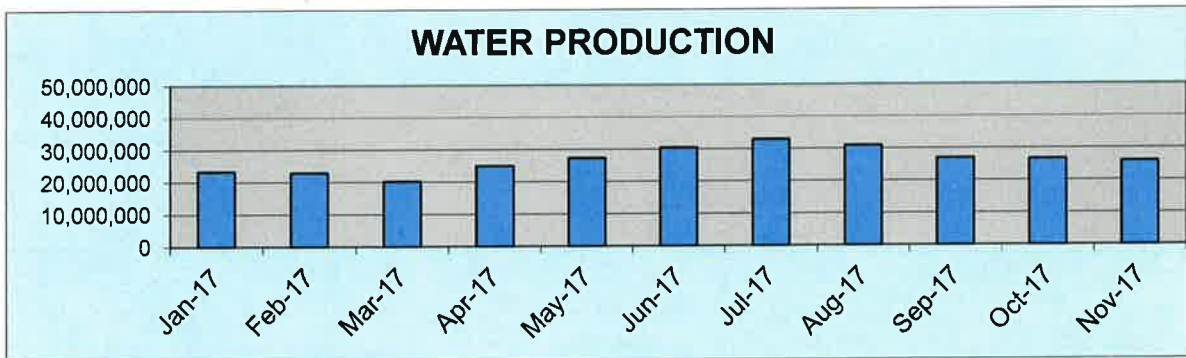
<u>Billing Period: August 15, 2018 thru September 14, 2018</u>	<u>GALLONS</u>	<u>GALLONS</u>
TOTAL WELL GALLONS PUMPED DURING BILLING CYCLE:	13,633,000	
RECEIVED FROM NHCRWA	<u>20,550,000</u>	
TOTAL GALLONS PUMPED:	34,183,000	
<u>WATER LOSSES</u>		<u>LOSS</u>
WASTE TREATMENT PLANT USAGE:		13,000
INTERCONNECT USAGE DELIVERED:		0
LINE FLUSHINGS:		0
FIRE HYDRANT FLUSHINGS:		198,495
UNAUTHORIZED CONSUMPTION: (Theft - estimate)		0
STORAGE TANK DRAINING/FLUSHING: (Overflow)		837,000
HYDROPNEUMATIC TANK REFILLS:		0
MAIN BREAKS: (Estimate)		180,000
SERVICE LINE LEAKS:		64,800
WATER MAIN FILLINGS:		0
FIRE HYDRANT METER RENTAL USAGE:		0
OTHER: BOV		25,500
<u>TOTAL WATER LOSSES FOR BILLING CYCLE:</u>		<u>1,318,795</u>
<u>TOTAL NET GALLONS PUMPED:</u>	<u>32,864,205</u>	
<u>GALLONS BILLED FOR BILLING CYCLE:</u>	<u>30,329,000</u>	
<u>PUMP TO BILL PERCENTAGE FOR BILLING CYCLE:</u>		<u>92.3%</u>
<u>ADDITIONAL INFORMATION:</u>		
<u>NUMBER OF CONNECTION ACCOUNTS</u>		
RESIDENTIAL	3,824	
COMMERCIAL	28	
APARTMENTS	0	
NON PROFIT	2	
BUILDERS	10	
IRRIGATION/OTHERS	43	
<u>TOTAL NUMBER OF ACCOUNTS:</u>	<u>3,902</u>	

EAGLE WATER MANAGEMENT, INC.

HARRIS COUNTY MUD #368

WATER PRODUCTION & ACCOUNTABILITY

MO/YR	PUMPED (MG)	BILLED (MG)	%	Four Month Average
Jan-17	23,296,000	21,801,000	93.6%	93.6%
Feb-17	22,875,000	22,797,000	99.7%	96.6%
Mar-17	20,238,500	20,224,000	99.9%	97.7%
Apr-17	24,966,500	24,288,000	97.3%	97.6%
May-17	27,337,500	25,772,000	94.3%	97.8%
Jun-17	30,446,060	30,361,000	99.7%	97.8%
Jul-17	32,934,250	32,703,000	99.3%	97.6%
Aug-17	30,917,570	30,979,000	100.2%	98.4%
Sep-17	26,959,000	28,315,000	105.0%	101.1%
Oct-17	26,612,600	26,029,000	97.8%	100.6%
Nov-17	25,872,000	26,201,000	101.3%	101.1%
Dec-17	24,133,000	23,080,000	95.6%	99.9%
Jan-18	20,802,000	21,259,000	102.2%	99.2%
Feb-18	22,716,800	21,361,000	94.03%	98.3%
Mar-18	20,842,150	19,226,000	92.25%	96.0%
Apr-18	23,414,000	23,385,000	99.88%	97.1%
May-18	25,684,800	26,005,000	101.25%	96.9%
Jun-18	35,098,050	33,849,000	96.44%	97.5%
Jul-18	28,604,750	26,737,000	93.47%	97.8%
Aug-18	37,714,675	34,283,000	90.90%	95.5%
Sep-18	32,864,205	30,329,000	92.29%	93.3%



HARRIS COUNTY MUD #368

**WATER PLANT
MONTHLY FACILITY REPORT**

MONTH OF SEPTEMBER 2018

<u>WELL #2 PUMPAGE</u>	<u>CURRENT</u>	<u>LAST MONTH</u>
Average Daily	<u>58,000 gallons</u>	<u>242,000 gallons</u>
Maximum Daily	<u>135,000 gallons</u>	<u>829,000 gallons</u>
Minimum Daily	<u>0 gallons</u>	<u>0 gallons</u>
TOTAL	<u>1,614,000 gallons</u>	<u>7,517,000 gallons</u>

<u>WELL #3 PUMPAGE</u>	<u>CURRENT</u>	<u>LAST MONTH</u>
Average Daily	<u>5,000 gallons</u>	<u>7,000 gallons</u>
Maximum Daily	<u>131,000 gallons</u>	<u>151,000 gallons</u>
Minimum Daily	<u>0 gallons</u>	<u>0 gallons</u>
TOTAL	<u>131,000 gallons</u>	<u>205,000 gallons</u>

<u>WELL #4 PUMPAGE</u>	<u>CURRENT</u>	<u>LAST MONTH</u>
Average Daily	<u>2,000 gallons</u>	<u>231,000 gallons</u>
Maximum Daily	<u>52,000 gallons</u>	<u>1,167,000 gallons</u>
Minimum Daily	<u>0 gallons</u>	<u>0 gallons</u>
TOTAL	<u>52,000 gallons</u>	<u>7,155,000 gallons</u>

<u>WELL #5 PUMPAGE</u>	<u>CURRENT</u>	<u>LAST MONTH</u>
Average Daily	<u>1,000 gallons</u>	<u>71,000 gallons</u>
Maximum Daily	<u>17,000 gallons</u>	<u>291,000 gallons</u>
Minimum Daily	<u>0 gallons</u>	<u>0 gallons</u>
TOTAL	<u>17,000 gallons</u>	<u>2,186,000 gallons</u>

<u>WELL #6 PUMPAGE</u>	<u>CURRENT</u>	<u>LAST MONTH</u>
Average Daily	<u>9,000 gallons</u>	<u>1,000 gallons</u>
Maximum Daily	<u>253,000 gallons</u>	<u>30,000 gallons</u>
Minimum Daily	<u>0 gallons</u>	<u>0 gallons</u>
TOTAL	<u>253,000 gallons</u>	<u>30,000 gallons</u>

TOTAL PUMPAGE FROM WELLS	2,067,000 gallons	17,093,000 gallons
TOTAL RECEIVED FROM NHCRWA	21,527,000 gallons	19,418,000 gallons
TOTAL COMBINED PRODUCTION	23,594,000 gallons	36,511,000 gallons
PERCENTAGE SURFACE WATER	91.24%	53.18%

PERMIT TERM: **SEPT 1, 2018 THRU AUGUST 31, 2019**

YEAR TO DATE PUMPAGE THRU 2019 PERMIT TERM: 2,067,000 gallons

YEAR TO DATE RWA WATER THRU 2019 PERMIT TERM: 21,527,000 gallons

PERCENTAGE SURFACE WATER DURING PERMIT TERM 91.24%

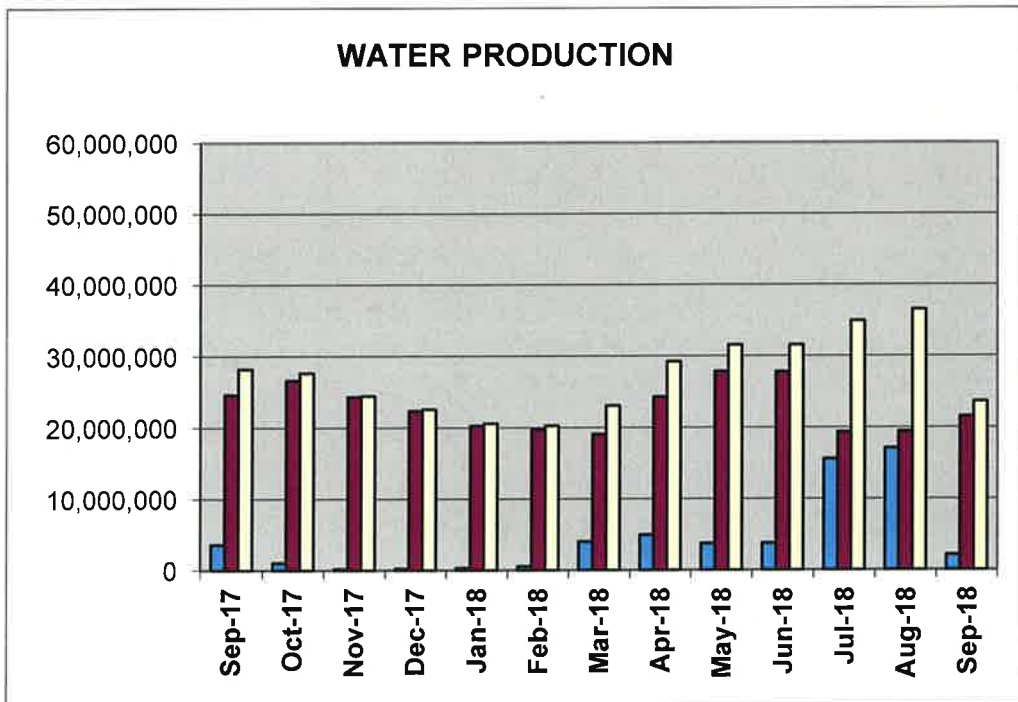
CONDITION OF EQUIPMENT:

FUTURE ANTICIPATED PROJECTS:

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT #368

WATER PRODUCTION REPORT

MONTH/YEAR	PUMPAGE	NHCRWA	TOTAL
Sep-17	3,591,000	24,614,000	28,205,000
Oct-17	1,042,000	26,620,000	27,662,000
Nov-17	170,000	24,282,000	24,452,000
Dec-17	217,000	22,346,000	22,563,000
Jan-18	330,000	20,265,000	20,595,000
Feb-18	526,000	19,751,000	20,277,000
Mar-18	3,977,000	19,093,000	23,070,000
Apr-18	4,940,000	24,292,000	29,232,000
May-18	3,721,000	27,850,000	31,571,000
Jun-18	3,749,000	27,803,000	31,552,000
Jul-18	15,569,000	19,351,000	34,920,000
Aug-18	17,093,000	19,418,000	36,511,000
Sep-18	2,067,000	21,527,000	23,594,000



SEPTEMBER 2018

FLOW (GPD)

Average Daily Flow: 699,000 GALLONS

Percent of Rated Capacity: 78%

Minimum Daily Flow: 356,000 GALLONS

Maximum Daily Flow: 965,000 GALLONS

TOTAL FLOW: 20,979,000 GALLONS

TPDES PERMIT NO. 12044-001

PERMIT EXPIRATION: 7/16/2023

PERMIT VIOLATIONS: None

SOLIDS HANDLING DATE: _____ gallons

CONDITION OF EQUIPMENT: _____

FUTURE ANTICIPATED PROJECTS: _____
Replacement of underground valves and clarifier and digester sidewall repairs

**HC MUD 368
Sludge Haul History**

Month/Year	Gallons processed	Cost/gallon	Cost
Jan-16	223,526	\$0.0425	\$9,499.86
Feb-16	183,609	\$0.0425	\$7,803.38
Mar-16	199,814	\$0.0425	\$8,492.10
Apr-16	196,534	\$0.0425	\$8,352.70
May-16	0		\$0.00
Jun-16	188,831	\$0.0425	\$8,025.32
Jul-16	191,918	\$0.0425	\$8,156.52
Aug-16	251,598	\$0.0425	\$10,692.92
Sep-16			\$0.00
Oct-16	197,070	\$0.0425	\$8,375.48
Nov-16			\$0.00
Dec-16	202,046	\$0.0425	\$8,586.96
2016 Total	1,834,946		\$77,985.21
Jan-17	262,255	\$0.0425	\$11,145.84
Feb-17	0	\$0.0000	\$0.00
Mar-17	281,110	\$0.0425	\$11,947.18
Apr-17	269,777	\$0.0425	\$11,465.52
May-17	0	\$0.0000	\$0.00
Jun-17	372,652	\$0.0425	\$15,837.71
Jul-17	194,619	\$0.0425	\$8,271.31
Aug-17	0		\$0.00
Sep-17	221,601	\$0.0425	\$9,418.04
Oct-17			\$0.00
Nov-17	261,116	\$0.0425	\$11,097.43
Dec-17			\$0.00
2017 Total	1,863,130		\$79,183.03
Jan-18	194,407	\$0.0425	\$8,262.30
Feb-18			\$0.00
Mar-18	189,834	\$0.0425	\$8,067.95
Apr-18	222,061	\$0.0425	\$9,437.59
May-18	284,063	\$0.0425	\$12,072.68
Jun-18			\$0.00
Jul-18	218,999	\$0.0425	\$9,307.46
Aug-18	220,259	\$0.0425	\$9,361.01
Sep-18			\$0.00
Oct-18			\$0.00
Nov-18			\$0.00
Dec-18			\$0.00
2018 Total	1,329,623		\$56,508.98

Account Name	2016	2017	18-Jun	18-Jul	18-Aug	18-Sep	18-Oct	18-Nov	18-Dec	18-Jan	18-Feb	18-Mar	18-Apr	18-May	Total
Graceview Baptist Church	\$1,500	\$2,400	\$200	\$350	\$350										\$900
100			45	38	61										
Walgreens	\$1,200	\$2,400	\$200	\$200	\$0										\$400
201			24	22	43										
Reach Unlimited (12335 White River)	\$1,500	\$2,550	\$200	\$200	\$200										\$600
300			19	20	29										
Houston Garden Center	\$1,200	\$2,400	\$200	\$200	\$200										\$600
410			3	2	5										
Quick N Easy (Chevron)	\$1,200	\$2,400	\$200	\$200	\$200										\$600
500			11	14	16										
Landmark Property (Strip Center w/ Subway)	\$2,950	\$6,650	\$600	\$350	\$200										\$1,150
510			96	66	4										
Canyon Cleaners	\$1,800	\$4,000	\$350	\$200	\$350										\$900
521			60	49	55										
Tower Plaza (Strip Center by Chevron)	\$1,200	\$2,550	\$200	\$200	\$200										\$600
600			24	21	19										
Regal Cinema Inc.	\$10,000	\$21,700	\$600	\$3,500	\$3,500										\$7,600
1222			134	205	173										
Khorville Elementary	\$3,000	\$5,500	\$350	\$200	\$200										\$750
140480			71	1	7										
Parkway Chevrolet	\$6,000	\$6,550	\$350	\$200	\$200										\$750
186910			59	48	47										
Kids World Day care	\$1,200	\$2,400	\$200	\$200	\$200										\$600
187210			21	13	0										
Valero	\$1,200	\$2,400	\$200	\$200	\$200										\$600
201330			29	28	34										
Barkway Pet Resort	\$3,500	\$5,650	\$600	\$350	\$600										\$1,550
202221			111	69	112										
Blackshear Elementary	\$11,200	\$26,850	\$3,500	\$200	\$350										\$4,050
202561			165	34	70										
Texas Roadhouse	\$6,000	\$24,600	\$600	\$600	\$600										\$1,800
202770			132	121	141										
Fred Haas Nissan	\$6,000	\$7,200	\$600	\$600	\$600										\$1,800
203120			108	106	121										
Lacey Food Mart	\$1,200	\$2,400	\$200	\$200	\$200										\$600
203141			27	23	21										
Bahama Bucks	\$1,350	\$2,550	\$200	\$200	\$200										\$600
207320			34	31	35										
HMT	\$1,500	\$2,550	\$200	\$200	\$200										\$600
207810			18	23	19										
Adriatic Café	\$1,100	\$4,200	\$600	\$350	\$350										\$1,300
208151			86	60	71										
Parkway Lube Center	\$1,500	\$200	\$200	\$200	\$200										\$1,000
208710			43	0	110										
Totals	\$55,800	\$141,400	\$10,550	\$9,100	\$9,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,350

Code	Name	Req.	Value 1	Value 2	Units	Value 1	Value 2	Value 3	Units	of Ex.	Analysis	Type
Season: 0						>=6 MINIMUM		<=9 MAXIMUM	12 - SU		02/30 - Twice Per Month	GR - GRAB
NODI: -		NODI										
00530	Solids, total suspended	Smpl.	=6.9		26 - lb/d	=1.3		=1.8	19 - mg/L	0	01/07 - Weekly	CP - COMPOS
1 - Effluent Gross												
Season: 0		Req.	<=113 DAILY AV		26 - lb/d		<=15 DAILY AV	<=40 DAILY MX	19 - mg/L		01/07 - Weekly	CP - COMPOS
NODI: -		NODI										
00610	Nitrogen, ammonia total [as N]	Smpl.	=0.8		26 - lb/d	=0.2		=0.4	19 - mg/L	0	01/07 - Weekly	CP - COMPOS
1 - Effluent Gross												
Season: 0		Req.	<=22 DAILY AV		26 - lb/d		<=3 DAILY AV	<=10 DAILY MX	19 - mg/L		01/07 - Weekly	CP - COMPOS
NODI: -		NODI										
01092	Zinc, total [as Zn]	Smpl.	=0.371		26 - lb/d	=0.069		=0.074	19 - mg/L	0	01/07 - Weekly	CP - COMPOS
1 - Effluent Gross												
Season: 0		Req.	Req Mon DAILY AV		26 - lb/d		Req Mon DAILY AV	Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	CP - COMPOS
NODI: -		NODI										
01105	Aluminum, total [as Al]	Smpl.	=0.072		26 - lb/d	=0.013		=0.022	19 - mg/L	0	01/07 - Weekly	CP - COMPOS
1 - Effluent Gross												
Season: 0		Req.	Req Mon DAILY AV		26 - lb/d		Req Mon DAILY AV	Req Mon DAILY MX	19 - mg/L		01/07 - Weekly	CP - COMPOS
NODI: -		NODI										
50050	Flow, in conduit or thru treatment plant	Smpl.	=0.671		03 - MGD					0	99/99 - Continuous	TM - TOTALZ
1 - Effluent Gross												
Season: 0		Req.	<= .9 DAILY AV		03 - MGD		Req Mon DAILY MX				99/99 - Continuous	TM - TOTALZ
NODI: -		NODI										
50060	Chlorine, total residual	Smpl.						=3.53	19 - mg/L	0	01/01 - Daily	GR - GRAB
1 - Effluent Gross												
Season: 0		Req.				>=1 MO MIN		<=4 MO MAX	19 - mg/L		01/01 - Daily	GR - GRAB

Code	Name		Value 1	Value 2	Units	Value 1	Value 2	Value 3	Units	of Ex.	Analysis	Type
NODI: -		NODI										
X 51040	E. coli	Smpl.										
	1 - Effluent Gross											
Season: 0		Req.										
NODI: -		NODI										
80082	BOD, carbonaceous [5 day, 20 C]	Smpl.	=12.9		26 - lb/d	=2.4		=2.9				
	1 - Effluent Gross											
Season: 0		Req.	<=75 DAILY AV		26 - lb/d	<=10 DAILY AV		<=25 DAILY MX				
NODI: -		NODI										

Submission Note

If a parameter row does not contain any values for the Sample nor Effluent Trading, then none of the following fields will be submitted for that row: Units, Number of Excursions, Frequency of Analysis, and Sample Type.

Edit Check Errors

Parameter Code	Parameter Name	Monitoring Location	Field	Type	Description	Acknowledge
51040	E. coli	1 - Effluent Gross	Units	Soft	The selected units do not match the units specified by the permit for this parameter. (Error Code: 3)	

Comments

Attachments

No attachments.

Report Last Saved By

HARRIS COUNTY MUD 368

User: mplunkett@eaglewatermanagement.com

Name: Mike Plunkett

E-Mail: mplunkett@eaglewatermanagement.com

Date/Time: 2018-09-12 09:44 (Time Zone:-05:00)

Report Last Signed By

User: mplunkett@eaglewatermanagement.com

Name: Mike Plunkett

E-Mail: mplunkett@eaglewatermanagement.com

Date/Time: 2018-09-12 09:45 (Time Zone:-05:00)



HARRIS COUNTY MUD 368

Harris County MUD 368 has upgraded the existing water meters to new smart meters. These new meters will allow you to have online and secure access to your water usage data. With these tools, you will now be able to review your hourly usage activity, and gain greater understanding and control of the amount of water you use. Harris County MUD 368 EyeOnWater Online provides easy to understand graphs and the ability to establish alerts-including identifying potential leaks. Just follow the few easy steps below, if you have questions or need assistance with signing up, please call the Districts Operator, Eagle Water Management at 281-374-8989.

Welcome to EyeOnWater!

Now you can view your water usage in few easy steps:

1. Visit <https://eyeonwater.com> on your computer using a supported web browser.
2. Click on the **Create Account** link.
3. Enter your service area zip code: **77375**
4. Select: **Harris County MUD #368**
5. Enter your billing account number.
6. Enter your name and email address.
7. Create and confirm a password.
8. You will get a confirmation email from BEACON. You must verify your email address by clicking on this link. Once you do, you can sign in using your email and password.

Phone App Instructions:



1. Go to the App Store on your Android or iPhone and search for "eye on water." (Note if using an iPad make sure to select iPhone only from the drop down menu)
2. Download the free App to your iPhone or Android Phone.
3. Open the App.
4. Tap on the Register button.
5. Tap on "Enter your account information Manually."
6. Enter your Zip Code.
7. Select your water provider.
8. Enter your Account ID.
9. Tap on the Next button.
10. Enter a valid e-mail address.
11. Create and confirm a password.
12. Verify that you have read the Terms of Service.
13. Tap on the Next button.
14. An email will be sent to the address you provided.
15. Click or tap on the link in the email to verify it is valid.
16. You can now sign in to your account.



October 4, 2018

Board of Directors
Harris County Municipal Utility District No. 368
c/o Johnson Petrov LLP
1001 McKinney, Suite 1000
Houston, Texas 77002-1223

Reference: District Engineer's Status Report, IDS Job No. 0456-001-MR

Members of the Board:

The status of the various projects in the District is as follows:

GENERAL DISTRICT MATTERS

1. Northern Point Drainage

We are working to set up a meeting with the contractor to discuss the solution to screening the bottom portion of the stormwater quality structure.

The contractor will have two crews on site to finish construction of the swales. The contractor should complete the work on the swales in 3-5 weeks if weather allows.

2. Facility Improvement and Maintenance Plan

Once we have received information for the county, we will reevaluate the bond sale requirements and work with the Financial Advisor to determine the tax implications.

3. Hufsmith Kohrville Improvements

No new activity to report

4. Operations Committee Meeting

The next Operations Committee Meeting has not been scheduled.

WATER SUPPLY SYSTEM MATTERS

5. Water Quality Monitoring for Water Well Nos. 2, 3, 4, 5, and 6

The September 2018 laboratory test results for benzene, toluene, ethyl benzene, or xylene (BTEX) in Well No. 2, Well No. 3, Well No. 4, Well No. 5, and Well No. 6 are non-detect.

6. Water Plant Nos. 1 and 2

An orifice plate to control flow between Water Plant No. 2 and Water Plant No. 1 has been installed.

7. Water Plant Rehabilitation

The contractor is finished with all the coating and is cleaning up the site. The contractor has presented a proposal and color options for the doors that will be installed on the controls and chemical building for the Board's consideration.

WASTEWATER TREATMENT SYSTEM MATTERS

8. Phase 4 Sanitary Sewer Rehab

A preconstruction meeting was held on September 28, and the notice to proceed has been issued for work to begin on October 8, 2018. This is a 90-calendar day contract, so the work is anticipated to be complete by January 9, 2019.

9. Sandy Stream Sewer Capacity Evaluation: Upsize Required for Dungrove Tract

No new activity to report.

10. Lift Station Control Panel Replacements

We have received specifications from the manufacturer and are reviewing the information.

11. Wastewater Treatment Plant Rehabilitation

The on-site lift station rehabilitation work is complete. We will conduct an inspection of the wet well coatings prior to the end of the one-year warranty period to address any potential deficiencies in the coating.

RESIDENTIAL AND COMMERCIAL DEVELOPMENT PROJECTS

12. Harris County Street Acceptance Status

All streets eligible for acceptance have been accepted by the County.

13. NorthPointe Center-Phase II (Santikos)

The plans have been approved and the development is under construction.

14. 136-Acre Finger Tract

The developer has contacted us regarding a feasibility study for this development. They are projecting a 400-unit apartment project, a hotel, and other commercial development. The developer is prepared to send the \$7,500 feasibility deposit. We request authorization to begin the feasibility study upon receipt of the deposit.

15. 9.6-Acre Riverside Tract

The developer is working with the landowner to purchase land for commercial use, and there are no new updates on this tract.

16. Huffsmith Heights Tract

No new activity to report.

17. Little Woodrows

The developer's engineer is preparing plans for a Little Woodrow's west of Coons Road and South of Timber Tech Road, near HMT properties. They have purchased the land and are working with Harris County on their design for detention for the development.

We will be glad to answer any questions the Board may have.

Respectfully,



Matthew Carpenter, P.E.



Kameron H. Pugh, E.I.T.

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Christian Tower Services, LLC MUD 368 Proposal

Below is our quote for the materials and labor involved for the construction of 2 monopole towers for the MUD 368 Proposal. We have broken up cost into material, labor, construction drawings, and permits (if needed). These amounts are total cost.

- Material: \$230,000
- Labor: \$80,000
- Construction Drawings: \$2,500
- Permits: \$2,500

Feel free to contact me, Jay Lundquist, at jay@christiantower.com or via phone (508) 885-1111, for any questions regarding this project. Thank you for your time and the opportunity to bid these sites.



Pexx, Inc.
P. O. Box 40245
Houston, TX 77240-0245
(832)237-5888
palmer@pexx.net
www.pexx.net

ESTIMATE

ADDRESS
Site Protection

ESTIMATE # 4427
DATE 10/04/2018

ACTIVITY	QTY	RATE	AMOUNT
Service Turnkey Tower Site build 120 foot SST tower	2	60,000.00	120,000.00T
Pexx looks forward to doing business with you!	SUBTOTAL		120,000.00
Standard Payment Terms: Per Contract	TAX (6.75%)		8,100.00
	TOTAL		\$128,100.00

Accepted By

Accepted Date



Estimate

Date	Estimate #
9/20/2018	840706

11 Greenway Plaza Suite 3030
Houston, TX 77046

Phone # 8327010270

Fax # 713-969-4994

Name / Address
On-Site Protection, LLC, Andrew Dunn

P.O. No.	Project
Soleman Rd Ext	

Description	Total
1.Furnish 140' free standing tower for the Solemon Road Extension Site	14,335.00
2.Furnish concrete, rebar, equlpment and labor to install foundation per plans and normal soils conditions -	21,250.00
3.Furnish labor to off load tower, inventory, assemble on ground, stack out with crane, hang antennas and lines	14,300.00
4.Equipment rental includes excavator, all terrain lift and crane	5,820.00
5.Spoils removal from site	1,800.00
Note: Fence Installation and Permits by others	
Total	
	\$57,505.00

Signature _____



Estimate

Date	Estimate #
9/20/2018	840707

11 Greenway Plaza Suite 3030
Houston, TX 77046

Phone # 8327010270

Fax # 713-969-4994

Name / Address
On-Site Protection, LLC, Andrew Dunn

P.O. No.	Project
Logan Briar	

Description	Total
1.Furnish 140' free standing tower for the Logan Briar Site - \$14,335.00 2.Furnish concrete, rebar, equipment and labor to install foundation per plans and normal soils conditions - \$21,250.00 3.Furnish labor to off load tower, inventory, assemble on ground, stack out with crane, hang antennas and lines - \$14,300.00 4.Equipment rental includes excavator, all terrain lift and crane - \$5,820.00 5.Spoils removal from site - \$1,800.00 Note: Fence Installation and Permits by others	57,505.00
Total	\$57,505.00

Signature _____

East Texas Towers, LLC
 301 Katy St.
 Lone Oak, TX 75453
 972-900-5108
 nikki@easttexas Towers.com



ADDRESS

Andrew Dunn
 Houston Water Dist.

ESTIMATE 1091

DATE 10/04/2018

SITE NAME

130' Rohn HD SSV @100 mph

DATE	ACTIVITY	QTY	RATE	AMOUNT
10/04/2018	Self Supporting Tower Rohn Heavy Duty SSV: SS130HD100	1	12,595.00	12,595.00
10/04/2018	Shipping from manufacturer via freight truck (5900 lbs)	1	3,225.00	3,225.00
10/04/2018	Supplies & Materials halo grounding kit: includes lightning air terminal and braided lightning down-comer conductor	1	1,989.00	1,989.00
10/04/2018	Supplies & Materials Concrete Base Section 9N	1	935.00	935.00
10/04/2018	Service/Repairs drilling: pier & pad	3	1,100.00	3,300.00
10/04/2018	Service/Repairs Labor: Pier & Pad prep & Base Set	1	5,225.00	5,225.00
10/04/2018	Supplies & Materials Concrete & Base Materials	1	1,750.00	1,750.00
10/04/2018	Service/Repairs Tower Assembly, Rigging, Tower Erection, & Grounding	1	6,900.00	6,900.00
10/04/2018	Tool Rental 150' Crane service	1	4,100.00	4,100.00
10/04/2018	Tool Rental Sky-trac Ground Lift	1	3,900.00	3,900.00
10/04/2018	Travel Fees travel expenses	1	3,350.00	3,350.00

TOTAL

\$47,269.00

Accepted By

Accepted Date

East Texas Towers, LLC
 301 Katy St.
 Lone Oak, TX 75453
 972-900-5108
 nikki@easttexas Towers.com



ADDRESS

Andrew Dunn
 Houston Water Dist.

ESTIMATE 1090

DATE 10/04/2018

SITE NAME

130' Trylon Super Weld @130mph

DATE	ACTIVITY	QTY	RATE	AMOUNT
10/04/2018	Self Supporting Tower 130' Trylon SuperTitan Weld 130mph	1	21,675.00	21,675.00
10/04/2018	Shipping from manufacturer via freight truck (9600 lbs)	1	4,300.00	4,300.00
10/04/2018	Supplies & Materials climbing kits for Super Titan models	1	675.00	675.00
10/04/2018	Supplies & Materials halo grounding kit: includes lightning air terminal and braided lightning down-comer conductor	1	1,989.00	1,989.00
10/04/2018	Supplies & Materials Template & Tie Rods for Base: Section #14	1	1,975.00	1,975.00
10/04/2018	Service/Repairs drilling: pier & pad	3	1,300.00	3,900.00
10/04/2018	Service/Repairs Labor: Pier & Pad prep & Base Set	1	5,950.00	5,950.00
10/04/2018	Supplies & Materials Concrete & Base Materials	1	2,950.00	2,950.00
10/04/2018	Service/Repairs Tower Assembly, Rigging, Tower Erection, & Grounding	1	7,975.00	7,975.00
10/04/2018	Tool Rental 150' Crane service	1	4,785.00	4,785.00
10/04/2018	Travel Fees travel expenses	1	3,350.00	3,350.00
10/04/2018	Tool Rental Sky-trac Ground Lift	1	3,900.00	3,900.00

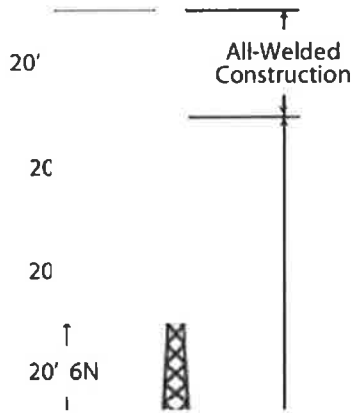
TOTAL

\$63,424.00

Accepted By

Accepted Date

SSV HD SELF-SUPPORTING TOWERS



HEAVY DUTY

GENERAL USE

The ROHN SSV HD tower has the same features and utility as the SSV tower, but with Heavy Duty legs and braces. The heavy duty tower allows for the structure to support more loading and higher wind and ice loading. This tower serves the same applications as the SSV including: PCS, broadband, security, sports lighting and many others. The SSV HD also has standard "pre-engineered" towers created from standard sections. All ROHN SSV towers are hot-dip galvanized, inside and out for corrosion protection.

ed
on

Section Number	Nominal Spread Dimension	
	Upper	Lower
3WN	1' - 6"	1' - 10"
3WNB	1' - 10"	1' - 10"
4N	1' - 10"	2' - 2"
5N	2' - 2"	2' - 6"
6N	2' - 6"	4' - 6 1/4"
7N	4' - 6 1/4"	6' - 6 3/4"
8N	6' - 6 3/4"	8' - 6 3/4"
9NH	8' - 6 3/4"	10' - 6 3/4"
10NH	10' - 6 3/4"	12' - 7 1/4"
11N	12' - 7 1/4"	14' - 7 7/8"
12NH	14' - 7 7/8"	16' - 8 3/8"
13NH	16' - 8 3/8"	18' - 8 3/8"
14NH	18' - 8 3/8"	20' - 9 3/8"
15NH	20' - 9 3/8"	22' - 9 3/8"
16NH	22' - 9 3/8"	24' - 9 3/8"

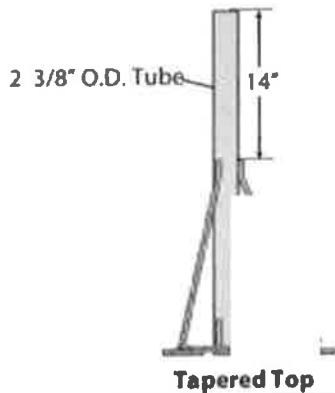
Per Rev G requirements, any structure greater than 10' requires a climber safety device. Please contact ROHN for ordering information.

SELF-SUPPORTING HEAVY DUTY STANDARD TOWERS

REV G, 90 MPH 3-SEC, 3/4" ICE							
TOWER HEIGHT (FT.)	TOWER ASSEMBLY NUMBER	SECTIONS		EFFECTIVE PROJECTED AREA (SQ. FT.)			
		TOP	BASE	TOP		30' BELOW TOP	
				EXP B	EXP C	EXP B	EXP C
40	SS040HD90	3WN	4N	41	29	60	40
50	SS050HD90	3WNB	5N	36	27	60	40
60	SS060HD90	3WN	5N	35	26	60	40
70	SS070HD90	3WNB	6N62	32	23	54	38
80	SS080HD90	3WN	6N62	22	15	37	25
90	SS090HD90	3WNB	7N165	27	18	46	30
100	SS100HD90	3WN	7N165	20	13	34	21
110	SS110HD90	3WNB	8N106	24	10	41	17
120	SS120HD90	3WN	8N106	18	11	31	18
130	SS130HD90	3WNB	9N82	21	9	36	15
140	SS140HD90	3WN	9N82	16	10	27	17
150	SS150HD90	3WNB	10N183	19	11	33	18
160	SS160HD90	3WN	10N183	15	8	25	14
170	SS170HD90	3WNB	11N332	18	9	31	15
180	SS180HD90	3WN	11N332	13	6	21	10

General Notes:

- Standard tower designs are in accordance with approved national standard ANSI/TIA-222-G, Structure Class II, Topographic Category 1, 3/4" design ice thickness, seismic coefficient $S_s \leq 1.0$.
- Tower designs assume allowable projected areas are symmetrically placed on the tower.
- Designs assume one 7/8 line to top and two 7/8 lines to 30 feet below top, one line on each face.
- All towers are provided with step bolts and a tapered top.
- Grounding kit must be ordered separately.
- Assembly drawings and standard foundation details are supplied with the tower.
- Custom designs for site-specific applications are available upon request.



Assy. P/N	Tower Section No.
1TT	1W, 1WB, 2W
3TT	2WST, 2WB, 3WN
4TTN	3WNST, 3WNB, 4N
5TTN	4NST, 4NA, 4WB, 4NC, 5N
6TT	5NST, 5NA, 5NB, 5NC, 6C

SELF-SUPPORTING HEAVY DUTY STANDARD TOWERS

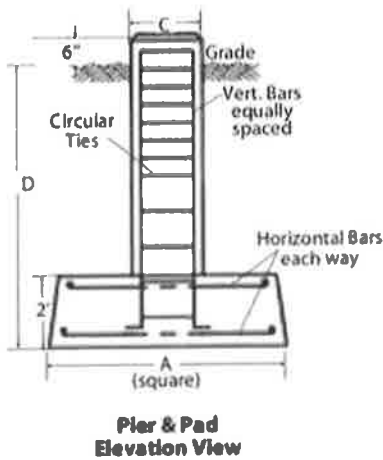
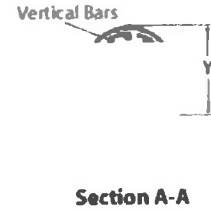
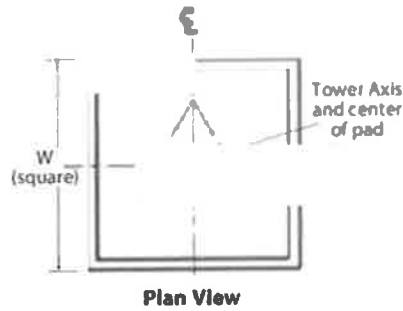
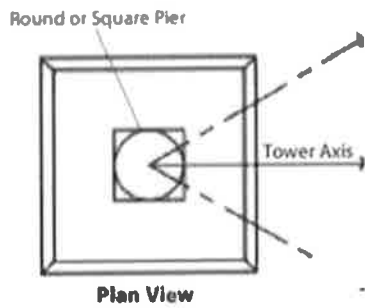
REV G, 100 MPH 3-SEC, 3/4" ICE							
TOWER HEIGHT (FT.)	TOWER ASSEMBLY NUMBER	SECTIONS		EFFECTIVE PROJECTED AREA (SQ. FT.)			
		TOP	BASE	TOP		30' BELOW TOP	
				EXP B	EXP C	EXP B	EXP C
40	SS040HD100	3WN	4N	32	23	50	38
50	SS050HD100	3WNB	5N	29	21	49	35
60	SS060HD100	3WN	5N	28	20	48	34
70	SS070HD100	3WNB	6N62	25	17	42	28
80	SS080HD100	3WN	6N62	17	11	28	18
90	SS090HD100	3WNB	7N165	19	11	32	18
100	SS100HD100	3WN	7N165	14	7	24	11
110	SS110HD100	3WNB	8N106	17	9	28	15
120	SS120HD100	3WN	8N106	12	5	20	9
130	SS130HD100	3WNB	9N82	24	8	24	13
140	SS140HD100	3WN	9N82	10	4	17	7
150	SS150HD100	3WNB	10N183	12	3	20	5
160	SS160HD100	3WN	10N183	9	-	15	-
170	SS170HD100	3WNB	11N332	9	-	15	-
180	SS180HD100	3WN	11N332	6	-	10	-

REV G, 110 MPH 3-SEC, 3/4" ICE							
TOWER HEIGHT (FT.)	TOWER ASSEMBLY NUMBER	SECTIONS		EFFECTIVE PROJECTED AREA (SQ. FT.)			
		TOP	BASE	TOP		30' BELOW TOP	
				EXP B	EXP C	EXP B	EXP C
40	SS040HD110	3WN	4N	26	18	40	30
50	SS050HD110	3WNB	5N	23	17	39	28
60	SS060HD110	3WN	5N	23	16	39	26
70	SS070HD110	3WNB	6N62	19	12	33	20
80	SS080HD110	3WN	6N62	12	7	20	11
90	SS090HD110	3WNB	7N165	13	7	22	10
100	SS100HD110	3WN	7N165	9	3	15	4
110	SS110HD110	3WNB	8N106	11	5	18	8
120	SS120HD110	3WN	8N106	7	2	11	3

General Notes:

- Standard tower designs are in accordance with approved national standard ANSI/TIA-222-G, Structure Class II, Topographic Category 1, 3/4" design ice thickness, seismic coefficient $S_s \leq 1.0$.
- Tower designs assume allowable projected areas are symmetrically placed on the tower.
- Designs assume one 7/8 line to top and two 7/8 lines to 30 feet below top, one line on each face.
- All towers are provided with step bolts and a tapered top.
- Grounding kit must be ordered separately.
- Assembly drawings and standard foundation details are supplied with the tower.
- Custom designs for site-specific applications are available upon request.

SELF-SUPPORTING ANSI/TIA-222-G STANDARD FOUNDATIONS



**Drilled Pier
Elevation View**

Tower Base Sect. No.	Pier & Pad						Mat		Drilled Pier		
	Dimensions			Req'd Conc. (cu. yds. 3 fdns)			W	Req'd Conc. (cu. yds.)	D	Y	Req'd Conc. (cu. yds.)
	D	A	C	Round	Square						
3WN	-	-	-	-	-	6' - 9"	6.8	-	-	-	
4N	-	-	-	-	-	8' - 0"	9.5	-	-	-	
5N	-	-	-	-	-	8' - 9"	11.3	-	-	-	
6N62	-	-	-	-	-	10' - 3"	15.6	-	-	-	
7N165	8' - 0"	4' - 6"	2' - 0"	6.3	6.9	11' - 6"	19.6	-	-	-	
8N106	8' - 0"	5' - 0"	2' - 0"	7.3	7.9	14' - 3"	30.1	15' - 0"	2' - 6"	8.4	
9N325/9N 82	8' - 0"	5' - 6"	2' - 0"	8.4	9.0	16' - 0"	37.9	18' - 0"	2' - 6"	10.2	
10N387/10N183	8' - 6"	5' - 6"	2' - 0"	8.6	9.2	18' - 3"	49.3	20' - 0"	2' - 6"	11.1	
11N332	9' - 0"	6' - 0"	2' - 6"	11.4	12.6	-	-	22' - 0"	2' - 6"	12.3	

Standard foundations illustrated are for general information purposes only and are based on Rev G presumptive clay soil parameters. Foundation installation details are provided with tower assembly drawings.



September 24, 2018

Mirna Croon
c/o Johnson Petrov
2929 Allen Parkway, Suite 3150
Houston, TX 77019

RE: 2018 Automatic Adjustment Letter for Harris County Municipal Utility District No. 368

Best Trash is pleased to be Harris 368's solid waste collection contractor. We are committed to providing you with the most professional and reliable services available.

A component of the Contract is for an automatic yearly price adjustment based on the most recently published CPI-U for Garbage and Trash series ID CUSR0000SEHG02. The CPI-U data indicates a rating of 470.457 for August 2018 versus 448.717 for August 2017. This is an adjustment of plus 4.8%. The current rate of \$12.34 for curbside trash collection service will change to \$12.94 per month per residence. In accordance with section 4b of the contract we are requesting an additional increase of .50 for a new rate of \$13.44. If approved the new rate will take effect the billing cycle of October 2018 and continue through September 2019.

Best Trash's goal is to be able to continue to provide you with high quality, trash-hauling services at a competitive rate. We sincerely appreciate the opportunity to service your solid waste and recycling needs.

Sincerely,

Matthew C. May

HARRIS COUNTY MUD NO. 368

LABOR INCREASE

\$50 per day drivers, \$30 per day helpers

2 days per week 3 **TRASH** trucks 3 drivers x 2 days per week = 6 x \$50 = \$300 x 4.33 = \$1,299 per month

6 helpers x 2 days per week = 12 x \$30 = \$360 x 4.33 = \$1,559 per month

Total Labor cost increase \$2,858 x 40% overhead \$1,143 = \$4,001

FUEL

3 trash trucks x 2 days x 80 gallons 4.33 week per month x \$1.00 gallon = \$2,078

Total Fuel increase \$2,078

Total monthly cost increase \$6,079

Total increase request of \$12.34 x 4.8% .60 + additional .50 x 3,806 = \$4,187

DEFECIT OF \$1,892

Databases, Tables & Calculators by Subject

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Change Output Options: From: To:
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Data extracted on: August 20, 2018 (12:58:39 PM)

CPI-All Urban Consumers (Current Series)

Series Id: CUSR0000SEHG02
Seasonally Adjusted
Series Title: Garbage and trash collection in U.S. city average, all urban consumers, seasonally adjusted
Area: U.S. city average
Item: Garbage and trash collection
Base Period: DECEMBER 1983=100

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2016	437.205	438.296	437.699	437.676	438.317	437.858	438.607	439.358	439.707	440.311	443.343	444.745		
2017	446.266	447.699	446.987	447.129	447.272	448.046	448.328	448.717	449.008	452.196	453.820	453.596		
2018	453.354	454.915	455.230	458.722	462.887	465.041	465.579							

12-Month Percent Change

Series Id: CUSR0000SEHG02
Seasonally Adjusted
Series Title: Garbage and trash collection in U.S. city average, all urban consumers, seasonally adjusted
Area: U.S. city average
Item: Garbage and trash collection
Base Period: DECEMBER 1983=100

Download: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2
2016	2.2	2.1	2.0	1.8	1.6	1.6	1.7	1.5	1.4	1.3	1.6	1.8		
2017	2.1	2.1	2.1	2.2	2.0	2.3	2.2	2.1	2.1	2.7	2.4	2.0		
2018	1.6	1.6	1.8	2.6	3.5	3.8	3.8							

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MEMORANDUM

TO: Harris County Municipal Utility District No. 368, Board of Directors
FROM: Johnson Petrov LLP
DATE: October 4, 2018
RE: Best Trash, LLC Petition for Additional Price Adjustment

Issue

Does Best Trash, LLC (“Best Trash”) merit a rate of compensation increase for its services in addition to the annual automatic Consumer Price Index (“CPI”) adjustment?

Answer

Most likely, no.

Discussion

According to the Residential Solid Waste Collection Contract (the “Contract”) between Best Trash and Harris County Municipal Utility District No. 368 (the “District”), executed October 1, 2015, Best Trash’s rate of compensation shall “automatically adjust” each anniversary of the Contract, in accordance with the CPI for Garbage and Trash Collection. When the Contract was executed, the rate of compensation was \$11.90/residence/month. In 2016 the rate increased from \$11.90 to \$12.08, and to \$12.34 in 2017. These increases were in accordance with the automatic CPI increase, per the contract.

The Contract further states that in addition to the automatic adjustment, Best Trash may petition the District for an increase “on the basis of unusual changes in its cost of operations, such as revised laws, ordinances or regulations; changes in location of disposal sites or changes in disposal charges; and increase in the number of residential units, such as city growth or annexation.”

Now, Best Trash is notifying the District of the automatic price increase, which is from \$12.34 to \$12.94 (a 4.8% increase), but also requesting an additional increase of \$.50, bringing the rate of compensation to \$13.44. The requested increase is an 3.9% increase from the \$12.94 rate that is automatically being set, and a 8.9% increase from the \$12.35 rate of the previous year.

While it should be noted that Best Trash has not asked the District for an additional increase pursuant to the Contract before the current request, this request is on account of Best Trash's claim that the price of labor and of fuel have increased, both of which are already accounted for in the Garbage and Trash Collection CPI. Therefore, Best Trash effectively already received a rate increase for fuel and labor this year, and each of the last years. Moreover, these do not appear to be "unusual changes" that merit an increase, nor are they listed in the Contract's list of examples of "unusual changes."

Conclusion

Best Trash most likely does not merit an increase in its rate of compensation beyond the automatic adjustment based on the CPI, because (1) the labor and fuel price increases cited by Best Trash are already incorporated into the automatic increase, and (2) labor and fuel price increases are not "unusual changes."

Options

Considering the above, there are a few paths the District may take:

1. Deny the petitioned for increase. In this case, Best Trash may either continue providing service, or, per the Contract, it may terminate the Contract with 60 days written notice.
2. Deny the petitioned increase, and terminate the Contract, citing disagreement over a new rate. The District would need to give 60 days written notice before termination, and would need to contract with another provider to begin service by that date.
3. Negotiate a lower additional increase than that requested by Best Trash.

Recommendation

Option 1 seems the most prudent in our opinion. If this option is chosen, there is a chance that Best Trash chooses to terminate the Contract, but in our estimation it is not likely to do that, because the Contract should remain profitable for Best Trash with the CPI adjustment.



ON-SITE PROTECTION INC.

14090 FM 2920 Rd, Ste G539 | Tomball, TX 77377
281-826-4060 | adunn@on-siteprotection.com | www.on-siteprotection.com

RECIPIENT:

Harris County MUD No. 368

c/o Municipal Accounts & Consulting, L.P.
200 River Pointe, Suite 240
Conroe, TX 77304

Estimate #106922

Sent on _____

Total \$7,109.97

SERVICE ADDRESS:

23567 Coons Rd.
LS#5 & SWPS#3
Tomball, Texas 77375

SERVICE / PRODUCT	DESCRIPTION	QTY.	UNIT COST	TOTAL
Alibi 6.0 Megapixel	6.0 Megapixel Outdoor 100' IR Varifocal IP Bullet Camera	4	\$520.55	\$2,082.20
EEN - 4 Port Switchbox PoE 2 TB	4 Port Switchbox PoE Embedded NVR - 2TB	1	\$1,689.45	\$1,689.45
Bundled Service	Bundled Service - NVR, UPS, PoE	1	\$368.26	\$368.26
Labor - Electronic Security Installation Billable Hours	Electronic Security Installation Billable Hours	20	\$75.00	\$1,500.00
Cat 5E - Per 100 Feet	Per 100 Feet - 3 data lines	2	\$585.03	\$1,170.06
Misc supplies	Wiring, Consumables, Fasteners, etc.	2	\$150.00	\$300.00

A deposit of \$3,554.99 will be required to begin.

Total \$7,109.97

This quote is valid for the next 30 days, after which values may be subject to change.

Signature: _____ **Date:** _____