

# HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

## Minutes of Meeting Thursday, April 4, 2019

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, April 4, 2019, 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 of Eagle Water Management, Inc. ("Operator"); Matthew Carpenter, P.E. of IDS Engineering Group ("IDS" or "Engineer"); Kay Townley of Municipal Accounts & Consulting, L.P. ("MAC" or "Bookkeeper"); and Carter Dean, attorney, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP" or "Attorney").

The President called the meeting to order at 6:32 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.** This matter was tabled until later in the meeting.
  - C. **Electricity Contract.** No action was taken.
  - D. **Drought Contingency Plan ("DCP") and Water Conservation Plan ("WCP").** Mr. Dean reported that the Texas Water Code requires districts with over 3300 connections to submit their revised DCPs and WCPs to the Texas Commission on Environmental Quality (the "Commission") and Texas Water Development Board ("TWDB"), once every 5 years. Mr. Dean stated that no changes have been recommended to the DCP. Mr. Plunkett stated that the WCP has been amended to include the water loss target of 5 percent or less, in accordance with the TWDB rules. Next, upon motion by Director Bishop, seconded by Director Cook, after full discussion and with all Directors present voting aye, the Board (i) approved the Resolution Reviewing the DCP and its submittal to the Commission; and (ii) approved the Resolution Amending the WCP and its submittal to the TWDB. Copies of the DCP and WCP are attached hereto as Exhibit "A" and "A-1".

- E. Smith & Loveless proposal. This matter was tabled until the Engineer's Report later in the meeting.
- F. Discuss Insurance Proposals. Ms. Croon reminded the Board that their current insurance coverage expires on May 31, 2019 and asked whether or not the Board wanted her to solicit proposals for renewal. Discussion ensued and it was the consensus of the Board that in addition to their current provider's proposal, they would like to see an additional proposal.

[Ms. Townley entered the meeting.]

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 "B". Mr. Plunkett noted that the District had 101.19% accountability for the period from February 15, 2019 through March 13, 2019. He also noted that 99.2% of the District's water came from the surface water source with the remainder from the District's groundwater wells.

[Director Dunn entered the meeting.]

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.

Next, 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. Pay Bills and Estimates. Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board approved check no. 17014, which will be listed on the next month's report.

V. Engineer's Report. Mr. Carpenter presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "C".

- A. Extreme Event Swales to Serve Northern Point Subdivision. A final walkthrough inspection was held on February 13, 2019. IDS has provided a punch-list to the contractor and they are working to address the remaining items. Mr. Carpenter presented Change Order No. 3, which increases the contract amount by \$22,658. Change Order No. 3 is attached to the Engineer's Report.
- B. Northern Point Stormwater Pump Station and Force Main. IDS has completed preliminary models and calculations for the project. Harris County will upsize the storm sewer during construction of Segment 3 of the Hufsmith-Kohrville Improvements. IDS has prepared a construction cost estimate for the project with

a total estimated construction cost of \$812,500. This project is included in the current bond application.

- C. Project for Potential Harris County Joint Partnership. IDS has completed models based on topographic survey data and has selected areas of the street pavement in Northern Point where modifications could be made to allow better sheet flow throughout the subdivision. A cost estimate for the project is \$486,000. The project is included in the current bond application. Mr. Carpenter stated that the project should be a good candidate for potential Harris County joint funding. He also stated that IDS has prepared a concept for an extreme event overflow from the Northern Point Detention Basin to Willow Creek. A cost estimate for that project is \$200,000. The project is included in the current bond application.
- D. Detention Facilities Improvement. IDS has identified a number of repairs and improvements to be made to the District's detention facilities. A construction cost estimate for the project is \$448,000. The project should improve the condition of the existing stormwater facilities and reduce future maintenance costs. The project is included in the current bond application.
- E. Facilities Communication and Security. Electrical Field Services and Sipes Instrument and Electric Service ("Sipes") visited the District's facilities last week to inspect the motor control centers and SCADA equipment. Mr. Carpenter then presented a proposal from Sipes in the amount of \$12,700 to install the cell modem equipment and modify existing equipment for compatibility with the cellular network.
- F. Hufsmith-Kohrville Improvements. Construction of Segment 2 will be starting soon. This segment involves the relocation of the existing Water Well No. 6 collection line, which will be completed by the Segment 2 contractor. The total cost of the relocation is estimated at \$281,500 and the District is responsible for 50 percent of the portion within Harris County Right-of-Way, which is approximately \$60,000 of the estimated total cost. Mr. Carpenter further stated that the design of Segment 3 is nearly complete. Harris County is finalizing the Right-Of-Way acquisition. This segment includes the storm sewer that will accommodate the excess drainage proposed from the increased capacity of the Northern Point Pump Station improvements.
- G. Bond Issue No. 14. IDS has prepared Bond Issue No. 14 and has submitted the application to the District's consultants for review.
- H. Operations Committee Meeting. The meeting has been scheduled for April 25, 2019.
- I. Tomball Grand Storage Drainage. Mr. Carpenter reported that the development is located south of Stonepine subdivision, east of the Harris County Flood Control District ("HCFCD") channel M-122-00-00. IDS was made aware of concerns that the development is not draining to the channel in accordance with the Harris

County permit. This portion of the channel is owned by HCFCD; however, the District has been maintaining the channel at its own expense. IDS believes a maintenance agreement between the District and HCFCD should be prepared. IDS will also ask HCFCD to send an inspector to inspect the development's drainage.

- J. Water Quality Monitoring for Water Wells Nos. 2, 3, 4, 5, and 6. Mr. Pugh reported that the March 2019 laboratory test results for benzene, toluene, ethyl benzene, or xylene (BTEX) in Water Wells Nos. 2, 3, 4, 5, and 6 are non-detect.
- K. Water Well No. 6 Conditional Acceptance and Sampling Requirements. IDS received a conditional acceptance of Water Well No. 6 on February 25, 2019. The letter states that the well is approved for use and may now be temporarily placed into service. The Texas Commission on Environmental Quality noted that the chemical analysis report shows that the concentration of fluoride exceeds the secondary constituent level. The District must collect and submit chemical samples upon contact from a TCEQ representative or within 180 days of the date of the letter (due August 14, 2019). If the samples show levels higher than the minimum secondary constituent levels, the District may be required to design and install additional treatment equipment. Additionally, there are new sampling requirements for Water Well No. 6, which can be found in the TCEQ approval letter.
- L. Water Plant No. 1 Inspection. The Ground Storage Tanks and Hydropneumatic Tanks at Water Plant No. 1 have been inspected. IDS is preparing an inspection report and will provide recommendations at next month's meeting.
- M. Phase 4 Sanitary Sewer Rehab. IDS has provided a list of recommended repairs and maintenance items to the Operator.
- N. Lift Station Control Panel Replacements. The electrical engineering consultant is preparing a proposal to perform engineering services for the control panels. IDS is working to ensure all the District's requirements for the panels are included in the design.
- O. Wastewater Treatment Plant ("WWTP") Rehabilitation. The on-site lift station rehabilitation work is complete. IDS 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.

IDS is preparing preliminary plans and specifications for the WWTP Rehabilitation project. The grit chamber is not functioning and requires repairs. The manufacturer, Smith & Loveless, Inc. ("S&L") has provided a proposal to repair the equipment in the amount of \$25,787. The grit chamber is necessary for keeping grit and sediment from entering the treatment basin.

- P. Harris County Street Acceptance Status. IDS has been informed that the streets within Willow Falls Section 4 have not been accepted for maintenance by Harris County. The contractor would not correct a construction issue which resulted in a "bird bath" in the street pavement. The Developer is no longer engaged in this development. To get the streets accepted by Harris County, the payment will need to be repaired. Uretek has provided a quote to repair the pavement at a cost of \$3,900. Mr. Carpenter stated that IDS will file a surety bond claim for the streets, which will be released to the District. Mr. Carpenter further stated that Pinemade Lane and Bright Point Court in Stonepine Section 2 are not on the Harris County Road Log either. The County believes that this is an internal error and are working to get the issue resolved. Discussion ensued regarding the street acceptance status and the Board agreed that future reimbursement agreements should contain a provision that all streets within the development will need to be accepted by Harris County in order to be reimbursed by the District.
- Q. Bombshells Restaurant. The construction is complete.
- R. Northpointe Business Park. It was reported that IDS is waiting to receive agency approvals for the plans submitted by the Developer. IDS has received plans for review and is preparing a review letter with comments.
- S. Braemar Village Tract. The developer has submitted payment for the feasibility study deposit. IDS will begin preparing the feasibility study report.
- T. Little Woodrows. The developer's engineer has prepared plans for a Little Woodrow's west of Coons Road and South of Timber Tech Road, near HMT properties.
- U. 12.5-Acre Dungrove tract. There were no new matters to report.
- V. 12.9-Acre Tract East of Hufsmith-Kohrville. The developer has dropped his development plan because the storm sewer along Hufsmith-Kohrville does not provide enough outfall depth to serve the tract. There may be an opportunity for the District to partner with Harris County to redesign this storm sewer to allow additional outfall depth for this site.
- W. 42-Acre Favro Family Tract (West of Hufsmith-Kohrville). IDS is preparing a feasibility study for the development. The development includes 63 single-family residential lots, 11 private estate lots, a community center including a club, recreational land, and facilities, and a parking lot. IDS has provided a few land plan options for the developer and will prepare a feasibility study once the developer chooses a land plan.
- X. Riverside Construction Tract. IDS has been contacted by Riverside Construction regarding development of land south of Stonepine. IDS has instructed them to submit a check for the \$7500 feasibility study deposit. Once the District receives payment, IDS will begin preparing the feasibility report.


Next, upon motion by Director Bishop, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board (i) approved Charge Order No. 3 for the Extreme Event Swales, as recommended by IDS; (ii) approved a proposal from Sipes in the amount of \$12,700 to install the cell modem equipment and modify existing equipment for compatibility with cellular network at Remote Well No. 6 and Water Plant Nos. 1-3; (iii) approved a proposal from S&L to repair the grit chamber at WWTP at a cost of \$25,787; and (iv) approved the Engineer's Report.

VI. **Attorney's Report.**

- A. **Little Woodrow's Annexation.** Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board (i) approved the Annexation Agreement, a copy of which is attached hereto as Exhibit "D", Reimbursement Agreement, a copy of which is attached hereto as Exhibit "D-1", and Petition for Annexation of Land into District and Petition for Consent to Annex Land into District for the 3.1791 acre tract owned by Timber Tech Holdings, LLC, copies of which are attached hereto as Exhibit "D-2" and "D-3"; and (ii) authorized JP to submit such annexation documents to the City of Houston for approval.
- B. **ESD Sales Tax Issues.** Mr. Dean reported that the Harris County Emergency Services Department No. 16 is planning to discuss potential sharing of its sales tax revenues at the next meeting.
- C. **M122 Drainage Issues.** This matter was discussed under the Engineer's Report.
- D. **Minutes of March 21, 2019 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 March 21, 2019 Board meeting.

VII. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 7:40 p.m.

PASSED AND APPROVED this 18<sup>th</sup> day of April, 2019.



Secretary, Board of Directors

**Exhibits:**

- "A" Drought Contingency Plan
- "A-1" Water Conservation Plan
- "B" Operator's Report
- "C" Engineers Report
- "D" Annexation Agreement
- "D-1" Reimbursement Agreement
- "D-2" Petition for Annexation
- "D-3" Petition for Consent to Annex

## CERTIFICATE FOR RESOLUTION

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, April 4, 2019 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
Sharon L. Cook	Secretary
Allilson V. Dunn	Treasurer
Eric Daniel	Director

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

### RESOLUTION REVIEWING A DROUGHT CONTINGENCY PLAN

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

AYES:

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NOES:

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1. A true, full, and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Resolution has been duly recorded in said 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 Resolution; 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 was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Resolution would be introduced and considered for adoption at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; such meeting was open to the public, as required by law, and public notice of the time, place and purpose of such meeting was given as required by Chapter 551, Texas Government Code and Section 49.063, Texas Water Code, as amended.

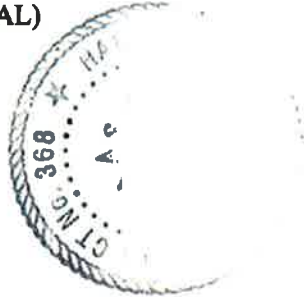


SIGNED AND SEALED the 4<sup>th</sup> day of April, 2019.

  
Sharon Cook, Secretary

  
Roy P. Lackey, President

(DISTRICT SEAL)



**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368  
REVIEWING A DROUGHT CONTINGENCY PLAN**

**WHEREAS**, the Board of Directors (the "Board") recognizes that the amount of water available to **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368** (the "District") and its water utility customers is limited and subject to depletion during periods of extended drought;

**WHEREAS**, the Board recognizes that natural limitations due to drought conditions and other acts of God cannot guarantee an uninterrupted water supply for all purposes;

**WHEREAS**, Section 11.1272 of the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality require all public water supply systems in Texas to prepare drought contingency plan;

**WHEREAS**, the Board has previously adopted a Drought Contingency Plan in compliance with state law; and

**WHEREAS**, The Board now finds that no amendments are needed for the previously adopted Drought Contingency Plan;

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

SECTION 1. That a Drought Contingency Plan attached hereto as Exhibit "A" made a part hereof for all purposes, be, and the same is hereby, reviewed and adopted as the official policy of the District.

SECTION 2. That the Operator of the District is hereby directed to implement, administer, and enforce the Drought Contingency Plan.

SECTION 3. That this resolution shall take effect immediately upon its passage.

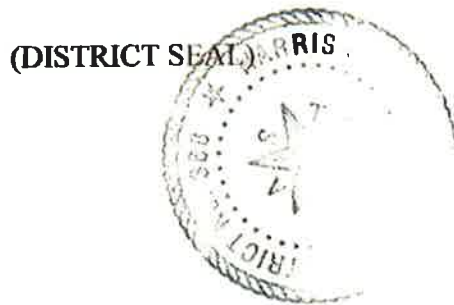
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**DULY PASSED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 368, ON THIS 4<sup>TH</sup> day of April, 2019.**

  
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Roy P. Lackey, President

**ATTEST:**

  
\_\_\_\_\_  
Sharon Cook, Secretary



**EXHIBIT "A"**

**Drought Contingency Plan**

# **POLICY REGULATING WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN**

**Amended November 7, 2013**

## **Section I: Declaration of Policy, Purpose, and Intent**

In order to conserve the available water supply and protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, Harris County Municipal Utility District No. 368 (the "District") hereby adopts the following regulations and restrictions on the delivery and consumption of water.

Water uses regulated or prohibited under this Water Conservation and Drought Contingency Plan (the "Plan") are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as defined in Section XI of this Plan.

## **Section II: Public Involvement**

Opportunity for the public to provide input into the preparation of the Plan was provided by the District by means of posting of the Board of Directors (the "Board") meeting agenda at the regularly designated posting locations.

## **Section III: Public Education**

The District will periodically provide the public with information about the Plan, including information about the conditions under which each stage of the Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of publication of public notice, notification of homeowner's association, signs at major intersections and any other method of communication the Board mandates.

## **Section IV: Coordination with Regional Water Planning Groups**

The service area of the District is located within Region H. The District has provided a copy of this Plan to Region H, the North Harris County Regional Water Authority, and the Harris-Galveston Subsidence District.

## **Section V: Authorization**

The Board or its designee is hereby authorized and directed to implement the applicable provisions of this Plan upon determination that such implementation is necessary to protect public health, safety, and welfare. The Board or its designee, shall have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

## **Section VI: Application**

The provisions of this Plan shall apply to all persons, customers, and property utilizing water provided by the District. The terms "person" and "customer" as used in the Plan include individuals, corporations, partnerships, associations, and all other legal entities.

## **Section VII: Definitions**

For the purposes of this Plan, the following definitions shall apply:

Aesthetic water use: water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

Authority: North Harris County Regional Water Authority.

Authority Plan: the Drought Contingency Plan of the Authority.

Board: the Board of Directors of Harris County Municipal Utility District No. 368.

Commercial and institutional water use: water use which is integral to the operations of commercial and non-profit establishments and governmental entities such as retail establishments, hotels and motels, restaurants, and office buildings.

Conservation: those practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve the efficiency in the use of water or increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by the District.

District: Harris County Municipal Utility District No. 368.

Domestic water use: water use for personal needs or for household or sanitary purposes such as drinking, bathing, heating, cooking, sanitation, or for cleaning a residence, business, industry, or institution.

Even number address: street addresses or box numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Industrial water use: the use of water in processes designed to convert materials of lower value into forms having greater usability and value.

Landscape irrigation use: water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks, and rights-of-way and medians.

Non-essential water use: water uses that are not essential nor required for the protection of public, health, safety, and welfare, including:

- (a) irrigation of landscape areas, except otherwise provided under this Plan;
- (b) use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
- (c) use of water to wash down any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
- (d) use of water to wash down buildings or structures for purposes other than immediate fire protection;
- (e) flushing gutters or permitting water to run or accumulate in any gutter or street;
- (f) use of water to fill, refill, or add to any indoor or outdoor swimming pools or Jacuzzi-type pools;
- (g) use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life;
- (h) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s); and
- (i) use of water from hydrants for construction purposes or any other purposes other than fire fighting.

Odd numbered address: street addresses or box numbers ending in 1, 3, 5, 7, or 9.

Production Capacity: the quantity of water that the District's water system is capable of supplying to its customers on a daily basis.

Utility Personnel: authorized employee(s) of the operator or engineer of the District's water and sewer systems.

### **Section VIII: Criteria for Initiation and Termination of Drought Response Stages**

The Board or its designee shall monitor water supply and/or demand conditions on a monthly basis and shall determine when conditions warrant initiation or termination of each stage of the Plan, that is, when the specified "triggers" are reached.

The triggering criteria described below are based on the monitoring of daily consumption as a percentage of total available water supply. The total available water supply includes groundwater sources and the District's contractual obligation with the North Harris County Regional Water Authority for their surface water allotment.

## **Stage 1 Triggers -- MILD Water Shortage Conditions**

### Requirements for initiation

Customers shall be requested to voluntarily conserve water and adhere to Stage 1 – MILD Water Shortage Conditions certain water uses, defined in Section IX – Drought Response Stages, when the Authority implements a Stage 1 Water Shortage, as described in the Authority Plan, or demand on the District's water supply facilities reaches or exceeds eighty-five percent (85%) of the production capacity of such facilities for five (5) consecutive days as determined by the District's Operator.

### Requirements for termination

Stage 1 of the Plan may be rescinded when the condition listed as triggering events have ceased to exist for a period of five (5) consecutive days.

## **Stage 2 Triggers -- MODERATE Water Shortage Conditions**

### Requirements for initiation

Customers shall be required to comply with the requirements and restrictions of Stage 2 –MODERATE Water Shortage Condition described in Section IX of this Plan, when the Authority implements Stage 2 Water Shortage, as described in the Authority Plan, or demand on the District's water supply facilities reaches or exceeds ninety percent (90%) of the production capacity of such facilities for five (5) consecutive days as determined by the District's Operator.

### Requirements for termination

Stage 2 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of five (5) consecutive days. Upon termination of Stage 2, Stage 1 becomes operative.

## **Stage 3 Triggers -- SEVERE Water Shortage Conditions**

### Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 3 – SEVERE Water Shortage Conditions of this Plan, when the Authority implements Stage 3 Water Shortage, as described in the Authority Plan or demand on the District's water supply facilities reaches or exceeds ninety-five percent (95%) of the production capacity of such facilities for five (5) consecutive days as determined by the District's Operator.



#### Requirements for termination

Stage 3 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of five (5) consecutive days. Upon termination of Stage 3, Stage 2 becomes operative.

#### **Stage 4 Triggers — CRITICAL Water Shortage Conditions**

##### Requirements for initiation

Customers shall be required to comply with the requirements and restrictions on certain non-essential water uses for Stage 4 — CRITICAL Water Shortage Conditions of this Plan, when the Authority implements a Stage 4 Water Shortage, as described in the Authority Plan, or demand on the District's water supply facilities reaches or exceeds hundred percent (100%) of the production capacity of such facilities for five (5) consecutive days as determine by the District's Operator.

##### Requirements for termination

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of five (5) consecutive days. Upon termination of Stage 4, Stage 3 becomes operative.

#### **Stage 5 Triggers -- EMERGENCY Water Shortage Conditions**

##### Requirements for initiation

Customers shall be required to comply with the requirements and restrictions for Stage 5 – EMERGENCY Water Shortage Conditions of this Plan when the Authority implements Emergency Water Shortage under the Authority Plan or the Board or its designee, determines that a water supply emergency exists based on:

1. Major water line breaks, or pump or system failures occur, which cause unprecedented loss of capability to provide water service; or
2. Natural or man-made contamination of the water supply source(s).

##### Requirements for termination

Stage 4 of the Plan may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of twenty-four (24) hours.

#### **WATER ALLOCATION**

##### Requirements for initiation

Customers shall be required to comply with the water allocation plan prescribed in Section IX of this Plan and comply with the requirements and restrictions for Stages of

this Plan immediately when an Emergency Water Supply condition exists.

Requirements for termination

Water allocation may be rescinded when all of the conditions listed as triggering events have ceased to exist for a period of three (3) consecutive days.

**Section IX: Drought Response Stages**

The Board or its designee, shall monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section VIII of this Plan, shall determine that a mild, moderate, severe or emergency condition exists and shall implement the following notification procedures:

Notification of the Public:

The Board or its designee shall notify the public by means of:

- (a) publication in a newspaper of general circulation,
- (b) direct mail to each customer,
- (c) public service announcements,
- (d) signs posted in public places,
- (e) take-home fliers at schools, or
- (f) any other method deemed appropriate.

Additional Notification:

The Board or its designee shall notify directly, or cause to be notified directly, the following individuals and entities:

- (1) local homeowners association
- (2) all Utility Personnel will be advised of the plan and conditions in order that all Utility Personnel will be aware of their water usage during this period and responsibility.

**Stage 1 Responses -- MILD Water Shortage Conditions**

Target

Achieve a voluntary five percent (5%) reduction in daily water use.

Supply Management Measures

- (a) Inform the public that a trigger condition has been reached, and that they should look for ways to voluntarily reduce water use. Specific steps which can be taken will be provided through the news.

- (b) Notify major commercial water users of the situation and request voluntary water use reductions.
- (c) Publicize a voluntary lawn watering schedule.
- (d) During winter months request water users to insulate pipes rather than running water to prevent freezing.

#### Voluntary Water Use Restrictions

- (a) Water customers are requested to voluntarily limit the irrigation of landscaped areas to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and to irrigate landscapes only between the hours of midnight and 10:00 a.m. and 8:00 P.M. to midnight on designated watering days.
- (b) All operations of the District shall adhere to water use restrictions prescribed for Stage 1 of the Plan.
- (c) Water customers are requested to practice water conservation and to minimize or discontinue water use for non-essential purposes.

#### **Stage 2 Responses — MODERATE Water Shortage Conditions**

##### Target

Achieve a 10 percent (10%) reduction in daily water use.

##### Supply Management Measures

- (a) Continue implementation of all relevant actions in preceding phase.
- (b) Car washing, window washing and pavement washing should be discouraged.
- (c) The following lawn schedule shall be implemented:

Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.

- (d) the following public water uses, not essential for public health or safety should be discouraged:
- (1) the washing down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
  - (2) use of water to wash down buildings or structures for purposes other than immediate fire protection;
  - (3) use of water for dust control;
  - (4) flushing gutters or permitting water to run or accumulate in any gutter or street;
  - (5) failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s);
  - (6) use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or Jacuzzi-type pools; and
  - (7) athletic field watering.

Water Use Restrictions Under threat of penalty for violation, the following water use restrictions shall apply to all persons:

- (a) Irrigation of landscaped areas with hose-end sprinklers or automatic irrigation systems shall be limited to Sundays and Thursdays for customers with a street address ending in an even number (0, 2, 4, 6 or 8), and Saturdays and Wednesdays for water customers with a street address ending in an odd number (1, 3, 5, 7 or 9), and irrigation of landscaped areas is further limited to the hours of 12:00 midnight until 10:00 a.m. and between 8:00 p.m. and 12:00 midnight on designated watering days. However, irrigation of landscaped areas is permitted at anytime if it is by means of a hand-held hose, a faucet filled bucket or watering can of five (5) gallons or less, or drip irrigation system.
- b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8:00 p.m. and 12:00 midnight. Such washing, when allowed, shall be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff nozzle for quick rises. Vehicle washing may be done at any time on the immediate premises of a commercial car wash or commercial service station. Further, such washing may be exempted from these regulations if the health, safety, and welfare of the public are contingent upon frequent vehicle cleansing, such as garbage trucks and vehicles used to transport food and perishables.

- (c) Use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) Use of water from hydrants shall be limited to fire fighting, related activities, or other activities necessary to maintain public health, safety, and welfare, except that use of water from designated fire hydrants for construction purposes may be allowed under special permit from the District.
- (f) Use of water for the irrigation of golf course greens, tees, and fairways is prohibited except on designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight. However, if the golf course utilizes a water source other than that provided by the District, the facility shall not be subject to these regulations.
- (g) All restaurants are prohibited from serving water to patrons except upon request of the patron.
- (h) The following uses of water are defined as non-essential and are prohibited:
  1. wash down of any sidewalks, walkways, driveways, parking lots, tennis courts, or other hard-surfaced areas;
  2. use of water to wash down buildings or structures for purposes other than immediate fire protection;
  3. use of water for dust control;
  4. flushing gutters or permitting water to run or accumulate in any gutter or street and
  5. failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).

### **Stage 3 Responses — SEVERE Water Shortage Conditions**

#### Target

Achieve a fifteen percent (15%) reduction in daily water use.

#### Supply Management Measures

##### Supply Management Measures:

- (a) Continue implementation of all relevant actions in proceeding phase.

- (b) Only commercial businesses that utilize water in their daily operations may be waived of the preceding measures when financial hardships are placed on that business.

Water Use Restrictions. All requirements of Stage 2 shall remain in effect during Stage 3 except:

- (a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 12:00 midnight and 10:00 a.m. and between 8 p.m. and 12:00 midnight, and shall be by means of hand-held hoses, hand-held buckets, drip irrigation, or permanently installed automatic sprinkler system only. The use of hose-end sprinklers is prohibited at all times.
- (b) The watering of golf course tees is prohibited unless the golf course utilizes a water source other than that provided by the District.
- (c) The use of water for construction purposes from designated fire hydrants under special permit is to be discontinued.

#### **Stage 4 Responses — CRITICAL Water Shortage Conditions**

##### Target

Achieve a twenty percent (20%) reduction in daily water use.

Water Use Restrictions All requirements of Stage 2 and 3 shall remain in effect during Stage 4 except:

- (a) Irrigation of landscaped areas shall be limited to designated watering days between the hours of 6:00 a.m. and 10:00 am, and between 8:00 p.m. and 12:00 midnight and shall be by means of hand-held hoses, hand-held buckets, or drip irrigation only. The use of hose-end sprinklers or permanently installed automatic sprinkler systems are prohibited at all times.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle not occurring on the premises of a commercial car wash and commercial service stations and not in the immediate interest of public health, safety, and welfare is prohibited. Further, such vehicle washing at commercial car washes and commercial service stations shall occur only between the hours of 6:00 am, and 10:00 a.m. and between 6:00 p.m. and 10 p.m.
- (c) The filling, refilling, or adding of water to swimming pools, wading pools, and jacuzzi type pools is prohibited.
- (d) Operation of any ornamental fountain or pond for aesthetic or scenic purposes is prohibited except where necessary to support aquatic life or where such fountains or ponds are equipped with a recirculation system.
- (e) No application for new, additional, expanded, or increased-in-size water

service connections, meters, service lines, pipeline extensions, mains, or water service facilities of any kind shall be approved, and time limits for approval of such applications are hereby suspended for such time as this thought response stage or a higher-numbered stage shall be in effect.

### **Stage 5 Responses — EMERGENCY Water Shortage Conditions**

#### Target

Reduce the delivery of water as required by the nature of the emergency and the amount of water available.

Water Use Restrictions All requirements of Stages 1, 2, 3, and 4 shall remain in effect during Stage 5 except:

- (a) Irrigation of landscaped areas is absolutely prohibited.
- (b) Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle is absolutely prohibited.

### **WATER ALLOCATION**

In the event that water shortage conditions threaten public health, safety, and welfare, the District Operator is hereby authorized to allocate water according to the following water allocation plan:

- (a) A Retail customer's monthly allocation shall be a percentage of the customer's water usage baseline. The percentage will be set by resolution of the Board based on the District Operator's assessment of the severity of the water shortage condition and the need to curtail water diversions and/or deliveries and may be adjusted periodically by resolution of the Board as conditions warrant. Once water allocation is in effect, water diversions by or deliveries to each retail customer shall be limited to the allocation established for each month.
- (b) A monthly water usage allocation for an emergency water shortage condition shall be established by the District Operator or his/her designee, for each retail customer. The retail customer's water usage baseline will be computed on the average water usage by month for the previous three-year period as shown in the example given below. If the retail water customer's billing history is less than three years, the monthly average for the period for which there is a record shall be used for any monthly period for which no billing history exists.

#### **Example Calculation of Monthly Allocation for a Hypothetical Retail Water Customer\***

	2010	2011	2012	Sum	Ave	Allocation Percentage	Monthly Allocation
Jan.	14.6	14.8	15.6	45.0	15.0	75%	11.3

Feb.	13.3	13.3	14.7	41.3	13.8	75%	10.3
March	14.6	14.9	15.9	45.4	15.1	75%	11.4
April	16.8	15.7	18.7	51.2	17.1	75%	12.8
May	17.9	18.3	17.1	53.3	17.8	75%	13.3
June	17.2	20.5	24.9	62.6	20.9	75%	15.7
July	23.2	31.4	24.6	79.2	26.4	75%	19.8
Aug.	20.6	33.7	30.9	85.2	28.4	75%	21.3
Sept.	19.6	22.9	19.8	62.3	20.8	75%	15.6
Oct.	19.7	16.5	18.5	54.7	18.2	75%	13.7
Nov.	14.9	15.3	16.2	46.4	15.5	75%	11.6
Dec.	15.0	15.6	16.5	47.1	15.7	75%	11.8
Total	207.4	232.9	233.4		224.6		

\*Units in thousands of gallons

- (c) The District Operator shall provide notice, by radio, TV or other announcement, to retail customers informing them of their monthly water usage allocations and the executive director of the Texas Commission on Environmental Quality upon initiation of pro rata water allocation.

Upon request of the customer or at the initiative of the District Operator, the allocation may be reduced or increased if, (1) the designated period does not accurately reflect the retail customer's normal water usage; (2) other objective evidence demonstrates that the designated allocation is inaccurate under present conditions. A customer may appeal an allocation established hereunder to the Board.

#### **Section X: Enforcement**

- (a) No person shall knowingly or intentionally allow the use of water from the District for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Plan, or in an amount in excess of that permitted by the drought response stage in effect at the time pursuant to action taken by the President, or his/her designee, in accordance with provisions of this Plan.
- (b) Any person who violates this Plan is guilty of a misdemeanor and, upon conviction shall be punished by a fine of up to \$5,000.00. Each day that one or more of the provisions in this Plan is violated shall constitute a separate offense. If a person is convicted of three or more distinct violations of this Plan, the Board shall, upon due notice to the customer, be authorized to discontinue water service to the premises where such violations occur. Services discontinued under such circumstances shall be restored only upon payment of a re-connection charge, and any other costs incurred by the District in discontinuing service. In addition, suitable assurance must be given to the President that the same action shall not be repeated while the Plan is in effect. Compliance with this plan may also be sought through injunctive relief in the district court.



- (c) Any person, including a person classified as a water customer of the District, in apparent control of the property where a violation occurs or originates shall be presumed to be the violator, and proof that the violation occurred on the person's property shall constitute a rebuttable presumption that the person in apparent control of the property committed the violation, but any such person shall have the right to show that he/she did not commit the violation. Parents shall be presumed to be responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control shall constitute a rebuttable presumption that the parent committed the violation, but any such parent may be excused if he/she proves that he/she had previously directed the child not to use the water as it was used in violation of this Plan and that the parent could not have reasonably known of the violation.
- (d) Any employee of the District, police officer, or other employee designated by the Board, may issue a citation to a person he/she reasonably believes to be in violation of this Ordinance. The citation shall be prepared in duplicate and shall contain the name and address of the alleged violator, if known, the offense charged, and shall direct him/her to appear in municipal court on the date shown on the citation for which the date shall not be less than 3 days nor more than 5 days from the date the citation was issued. The alleged violator shall be served a copy of the citation. Service of the citation shall be complete upon delivery of the citation to the alleged violator, to an agent or employee of a violator, or to a person over 14 years of age who is a member of the violator's immediate family or is a resident of the violator's residence. The alleged violator shall appear in municipal court to enter a plea of guilty or not guilty for the violation of this Plan. If the alleged violator fails to appear in municipal court, a warrant for his/her arrest may be issued. A summons to appear may be issued in lieu of an arrest warrant. These cases shall be expedited and given preferential setting in municipal court before all other cases.

#### **Section XI: Variances**

The Board or its designee, may, in writing, grant temporary variance for existing water uses otherwise prohibited under this Plan if it is determined that failure to grant such variance would cause an emergency condition adversely affecting the health, sanitation, or fire protection for the public or the person requesting such variance and if one or more of the following conditions are met:

- (a) Compliance with this Plan cannot be technically accomplished during the duration of the water supply shortage or other condition for which the Plan is in effect.
- (b) Alternative methods can be implemented which will achieve the same level of reduction in water use.

Persons requesting an exemption from the provisions of this Ordinance shall file a petition for variance with the Board within five (5) days after the Plan or a particular

drought response stage has been invoked. All petitions for variances shall be reviewed by the Board or its designee, and shall include the following:

- (a) Name and address of the petitioner(s).
- (b) Purpose of water use.
- (c) Specific provision(s) of the Plan from which the petitioner is requesting relief.
- (d) Detailed statement as to how the specific provision of the Plan adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with this Ordinance.
- (e) Description of the relief requested.
- (f) Period of time for which the variance is sought.
- (g) Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Plan and the compliance date.
- (h) Other pertinent information.

Variances granted by the District shall be subject to the following conditions, unless waived or modified by the Board or its designee:

- (a) Variances granted shall include a timetable for compliance.
- (b) Variances granted shall expire when the Plan is no longer in effect, unless the petitioner has failed to meet specified requirements.

No variance shall be retroactive or otherwise justify any violation of this Plan occurring prior to the issuance of the variance.

**CERTIFICATE FOR RESOLUTION APPROVING AMENDED WATER  
CONSERVATION PLAN**

**THE STATE OF TEXAS  
COUNTY OF HARRIS**

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368**

§  
§  
§

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, April 4, 2019, 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  
Tiffani C. Bishop  
Sharon L. Cook  
Allison V. Dunn  
Eric Daniel

President  
Vice President/Investment Officer  
Secretary  
Assistant Secretary  
Treasurer

All members of the Board were present with the exception of \_\_\_\_\_, thus constituting a quorum. Whereupon other business, the following was transacted at such Meeting:  
As written

**RESOLUTION APPROVING AMENDED WATER CONSERVATION PLAN**

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:** \_\_\_\_\_ **NOES:** \_\_\_\_\_

A true, full and correct copy of the aforesaid Order adopted at the Meeting described in the above and 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 April, 2019.

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Secretary, Board of Directors

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President, Board of Directors

**A RESOLUTION OF THE BOARD OF DIRECTORS OF  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368  
ADOPTING AN AMENDED WATER CONSERVATION PLAN**

**WHEREAS**, the Board of Directors (the "Board") recognizes that the amount of water available to **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368** (the "District") and its water utility customers is limited and subject to depletion during periods of extended drought;

**WHEREAS**, the Board recognizes that natural limitations due to drought conditions and other acts of God cannot guarantee an uninterrupted water supply for all purposes;

**WHEREAS**, Section 11.1272 of the Texas Water Code and applicable rules of the Texas Commission on Environmental Quality require all public water supply systems in Texas to prepare water conservation; and

**WHEREAS**, as authorized under law, and in the best interests of the customers of the District, the Board deems it expedient and necessary to amend and/or establish certain rules and policies for the orderly and efficient management of limited water supplies during drought and other water supply emergencies;

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

SECTION 1. That the Amended Water Conservation Plan is attached hereto as Exhibit "A" made a par hereof for all purposes, be, and the same is hereby adopted as the official policy of the District.

SECTION 2. That the Operator of the District is hereby directed to implement, administer, and enforce the Water Conservation Plan.

SECTION 3. That this resolution shall take effect immediately upon its passage.

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**DULY PASSED BY THE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 368, ON THIS 4th day of April, 2019**

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Roy P. Lackey, President

**ATTEST:**

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Sharon Cook, Secretary

**HARRIS COUNTY MUD No. 368**  
**AMENDED WATER CONSERVATION PLAN**  
**Adopted: April 4, 2019**

**SECTION 1.0 GENERAL**

**1.1 Declaration of Policy, Purpose, and Intent**

In order to conserve the available water supply and/or the protect the integrity of water supply facilities, with particular regard for domestic water use, sanitation, and fire protection, and to protect and preserve public health, welfare, and safety and minimize the adverse impacts of water supply shortage or other water supply emergency conditions, Harris County MUD No. 368 adopts the following water conservation plan.

Water uses regulated or prohibited under the Water Conservation Plan (the Plan) are considered to be non-essential and continuation of such uses during times of water shortage or other emergency water supply condition are deemed to constitute a waste of water which subjects the offender(s) to penalties as referenced in Section 5 of the Plan.

**1.2 Definitions**

For the purpose of this Plan, the following definitions shall apply:

**Aesthetic water use:** Water use for ornamental or decorative purposes such as fountains, reflecting pools, and water gardens.

**Commercial and institutional water use:** Water use which is integral to the operations of commercial and non-profit establishments and governmental entities, such as retail establishments, hotels and motels, restaurants, and office buildings.

**Conservation:** Those practices, techniques, and technologies that reduce the consumption of water, reduce the loss and/or waste of water, improve the efficiency of the use of water, and increase the recycling and reuse of water so that a supply is conserved and made available for future or alternative uses.

**Customer:** Any person, company, or organization using water supplied by Harris County MUD No. 368.

**Domestic water use:** Water use for personal needs or for household or sanitary purposes such as drinking, cooking, bathing, heating, cooling, sanitation, or for cleaning a residence, business, industry, or institution.

**Drought Contingency Plan:** A strategy or combination of strategies for temporary supply and demand management responses to temporary and potentially recurring water supply shortages and other water supply emergencies. A drought contingency plan may be a separate document identified as such or may be contained within another water management documents.

**Public per capita water use:** The sum total of water diverted into a water supply system for residential, commercial, and public and institutional uses divided by actual population served.

**Public use:** The use of potable, water within or outside a utility district and its environs whether supplied by a person, privately owned utility, political subdivision, or other entity as well as the use of sewage effluent for certain purposes, including the use of treated water for domestic purposes, fighting fires, sprinkling streets, flushing sewers and drains, watering parks and parkways, and recreational purposes, including public and private swimming pools, the use of potable water in industrial and commercial enterprises supplied by a municipal distribution system without special construction to meet its demands, and for the watering of lawns and family gardens.

**Public use in gallons per capita per day:** The total average daily amount of water diverted or pumped for treatment for potable use by a public water supply system. The calculation is made by dividing the water or pumped for treatment for potable use by population served. Indirect reuse volumes shall be credited against total diversion volumes for the purpose of calculating gallons per capita per day for targets and goals.

**Landscape irrigation use:** Water used for the irrigation and maintenance of landscaped areas, whether publicly or privately owned, including residential and commercial lawns, gardens, golf courses, parks and right-of-ways and medians.

**Non-essential water use:** Water uses that are neither essential nor required for the protection of public, health, safety and welfare, including:

- a. Irrigation of landscape areas, including parks, athletic fields and golf courses, except otherwise provided under this plan.
- b. Use of water to wash any motor vehicle, motorbike, boat trailer, airplane or other vehicle.
- c. Use of water to wash down any sidewalks, walkways, driveways parking lots, tennis courts or other hard-surfaced areas.
- d. Use of water to wash down buildings or structures for purposes other than immediate fire protection.
- e. Flushing gutters or permitting water to run or accumulate in any gutter or street.
- f. Use of water to fill, refill or add to any indoor or outdoor swimming pools or Jacuzzi-type pools.
- g. Use of water in a fountain or pond for aesthetic or scenic purposes except where necessary to support aquatic life.



- h. Failure to repair a controllable leak(s) within a reasonable period after having been given notice directing the repair of such leak(s).
- i. Use of water from hydrants for construction purposes or any other purposes other than firefighting.

**Pollution:** The alteration of the physical, thermal, chemical or biological quality of, or the contamination of, any water in the state that renders the water harmful, detrimental or injurious to humans, animal life, vegetation or property, or to the public health, safety or welfare, or impairs the usefulness or the public enjoyment of the water for any lawful or reasonable purpose.

**Public water supplier:** An individual or entity that supplies water to the public for human consumption.

**Regional water planning group:** A group established by the Texas Water Development Board to prepare a regional water plan under Texas Water Code, Section 16.053.

**Retail public water supplier:** An individual or entity that for compensation supplies water to the public for human consumption. The term does not include an individual or entity that supplies water to itself or its employees or tenants when the water is not resold to or used by others.

**Reuse:** The authorized use for one or more beneficial purposes of use of water that remains unconsumed after the water is used for the original purpose of use and before the water is either disposed of or discharged or otherwise allowed to flow into a watercourse, lake, or other body of state-owned water.

**Water conservation plan:** A strategy or combination of strategies for reducing the volume of water withdrawn from a water supply source, for reducing the loss of waste of water, for maintaining or improving the efficiency in the use of water, for increasing the recycling and reuse of water, and for preventing the pollution of water. A water conservation plan may be a separate document identified as such or may be contained within another water management document(s).

### 1.3 Review and Modification of Plan

This Plan will be reviewed and updated, as appropriate, based on an assessment of previous five-year and ten-year targets and any other new or updated information. The District will review and update the next revision of its water conservation plan not later than every five (5) years after the date of the adoption of the Plan to coincide with the regional water planning group.

## **1.4 Authorization, Implementation and Enforcement**

The District Operator, or his/her designee, is hereby authorized and directed to implement and enforce this Plan.

## **1.5 Application**

The provisions of this Plan shall apply to all persons, customers and property utilizing water provided by Harris County MUD No. 368. The terms "person(s)" and "customer(s)" as used in the Plan, include individuals, corporations, partnerships, associations and all other legal entities.

## **1.6 Severability**

It is hereby declared to be the intention of the Board of Directors of Harris County MUD No. 368 that the sections, paragraphs, sentences, clauses and phrases of this Plan are severable and if any phrase, clause, sentence, paragraph or section of this Plan shall be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections of this Plan, since the same would not have been enacted by the Board of Directors of Harris County MUD No. 368 with the incorporation into this Plan of any such unconstitutional phrase, clause, sentence, paragraph or section.

## **SECTION 2.0 UTILITY PROFILE**

Harris County MUD No. 368 Utility Profile is found under the **Exhibit A** to this Plan.

## **SECTION 3.0 WATER CONSERVATION PLAN**

### **3.1 Specification of Conservation Goals and Objectives**

In accordance with 30 TAC Part 1, Chapter 288, Subchapter C, Rule 288.2 (a)(1)C the following objectives and five (5) and ten (10) year targets have been established:

The objectives of this water conservation plan are as follows:

- To promote water conservation.
- To determine and control unaccounted water usage.
- To reduce the loss and waste of water.
- To maintain an accurate record of water usage.

#### **1. Goals of the Program (Five (5) year target and goals)**

- A. Beginning in the year 2019, Harris County MUD No. 368 goals are to achieve a municipal use of 79 gallons per capita per day (gpcd) for the first five (5) years (2019-2024).
- B. Beginning in year 2019, Harris County MUD No. 368 goals are to control the water loss not to exceed 5% for the first five (5) years (2019-2024).

## **2. Goals of the Program (Ten (10) year target and goals)**

- A. Beginning in the year 2019, Harris County MUD No. 368 goals are to achieve a municipal use of 77 gallons per capita per day for the next ten (10) years (2019-2029) and also achieve a municipal use water loss goal of an additional 2 gpcd for the period 2019-2029.
- B. Beginning in 2019, Harris MUD No. 368 goals are to manage the water loss to 5% or less for the next ten (10) years (2019-2029).

## **3. The projected baseline to reduce per capita per day consumption is 81 gpcd.**

To accomplish these goals Harris County MUD No. 368 will utilize the programs and policies in this Plan such as accurate metering devices, universal metering, meter testing and repair, periodic meter replacement, control of unaccounted water, public education, non-promotional water rates and leak detection and repair.

### **3.2 Metering**

Harris County MUD No. 368 meters 100% of the connections to the distribution system including municipal uses. Meters range in size from  $\frac{3}{4}$ " to 8". All meters are designed to provide accurate flows to within +/-5%.

The District practices a meter change-out program whereby meters are changed out every 10-15 years. Additionally, larger meters are field tested and repaired for accuracy. Generally, the District does not use repaired meters in the system.

The Water Treatment Plants has metering for treated water. The metering is accomplished through turbine meters. Certified calibration is performed annually.

### **3.3 Determination and Control of Unaccounted-for Water**

- A. The District makes a monthly accounting of water delivery efficiencies. At the end of each period, the District's operator calculates the difference between water pumped to the system and water sold through the meters. This calculation is reduced to a percentage of water losses. This is maintained and reviewed on an annual basis.
- B. Leaks are reported by any of the operator's employee as well as the general public.

C. The Water Plants are monitored daily and system pressure is checked carefully. Any unusual pressure level may be indicative of sizeable leaks and reported to the maintenance section as soon as noted.

D. All leaks are repaired the same day or as soon as practicable.

### **3.4 Public Education**

The District will support programs to educate the public regarding water conservation activities that support its goals. This includes educating the general public on the need for and practices of water conservation through public service announcements and other means. This information will be provided by means of public notice, web site, press releases, and mailings.

Through Harris County MUD No. 368 website and the Annual Drinking Water Quality Report, the District will provide water conservation tips to its customers. In addition, the District will partner with the schools to educate the students on water conservation.

### **3.5 Water Rates**

Harris County MUD No. 368 has base rates determined by the type of use for the connection, and a inclining block rate. **Exhibit B** is a copy of the water rates from the Rate Order.

### **3.6 Water Systems Operations**

Harris County MUD No. 368 owns and operates two (2) ground water plants. These plants are in Harris County. The water is pumped from the wells, and it is treated and stored in ground storage tanks, and/or pressure tanks, which produces the water pressure for residential and commercial use. Additionally, the District receives treated surface water through a connection with the North Harris County Regional Water Authority. The volume capacity of the two (2) facilities is 2,400,000 gallons. The water plants are able to produce 2,975,000 gallons of water per day.

### **3.7 Record Management System**

A. The District's operator maintains records of:

Water received from the ground plants.

Surface Water received from the NHCRWA

Water pumped to the distribution system.

Water used for flushing and sewer line cleaning.

Estimates of water losses due to water leaks, fire hydrant flushing, and firefighting/training.

Water sold.

Water rates.

### **3.8 Water Supply and Interconnect Contract**

The District has two (2) water supplies at this time and one (1) interconnect.

### **3.9 Recycling and Reuse**

The District has no program regarding the reuse of gray water.

### **3.10 Other Conservation Measures**

The District recognizes that in order to accomplish the goals and objectives of this Plan, other conservation measures may be required that are not outlined within the body of this document. The District is aware of the Water Conservation Best Management Practices Guide published by the Water Conservation Implementation Task Force in November 2004. As deemed necessary, the District will implement other measures either from the BMP guide or as otherwise seen fit to assure compliance with the plan.

## **SECTION 4.0: DROUGHT CONTINGENCY PLAN**

In addition to this Plan, the District also has a Drought Contingency Plan. Drought contingency planning has been developed as a part of this Water Conservation Plan as a means of dealing with conditions which occur from drought and/or water emergencies. The drought contingency and water emergency management phase of the conservation plan has been developed using the guidelines of the TCEQ and the TWDB.

## **SECTION 5.0 PENALTIES**

The District may, in its sole discretion, assess penalties up to the highest amount allowed by applicable law, against any person or entity that negligently, recklessly, or intentionally wastes water. The District may also terminate water service to any such person or entity after providing adequate notice and time to cure.

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

## CONTACT INFORMATION

Name of Utility: Harris County MUD 368  
Public Water Supply Identification Number (PWS ID): TX1011908  
Certificate of Convenience and Necessity (CCN) Number: P0463  
Surface Water Right ID Number: \_\_\_\_\_  
Wastewater ID Number: \_\_\_\_\_  
Contact: First Name: Plunkett Last Name: Mike  
Title: Compliance Manager  
Address: PO Box 11750 City: Spring State: TX  
Zip Code: 77391 Zip+4: 1750 Email: mplunkett@eaglewatermanagement.com  
Telephone Number: 2813748989 Date: 4/3/2019  
Is this person the designated Conservation Coordinator? ☒ Yes ☐ No

Regional Water Planning Group: H

Groundwater Conservation District: \_\_\_\_\_

Our records indicate that you:

☐ Received financial assistance of \$500,000 or more from TWDB☒ Have 3,300 or more retail connections☐ Have a surface water right with TCEQ**A. Population and Service Area Data**1. Current service area size in square miles: 2

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. Historical service area population for the previous five years, starting with the most current year.

Year	Historical Population Served By Retail Water Service	Historical Population Served By Wholesale Water Service	Historical Population Served By Wastewater Water Service
2018	11,505	0	11,505
2017	11,397	0	11,397
2016	11,295	0	11,295
2015	11,088	0	11,088
2014	11,028	0	11,028

3. Projected service area population for the following decades.

Year	Projected Population Served By Retail Water Service	Projected Population Served By Wholesale Water Service	Projected Population Served By Wastewater Water Service
2020	11,505	0	11,505
2030	11,505	0	11,505
2040	11,505	0	11,505
2050	11,505	0	11,505
2060	11,505	0	11,505

4. Described source(s)/method(s) for estimating current and projected populations.

District is currently fully developed within its current boundaries.

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### B. System Input

System input data for the previous five years.

Total System Input = Self-supplied + Imported – Exported

Year	Water Produced in Gallons	Purchased/Imported Water in Gallons	Exported Water in Gallons	Total System Input	Total GPCD
2018	60,782,609	267,730,612	0	328,513,221	78
2017	18,262,892	308,638,776	0	326,901,668	79
2016	28,167,508	309,561,026	0	337,728,534	82
2015	58,390,515	288,068,718	0	346,459,233	86
2014	33,377,016	295,889,000	0	329,266,016	82
Historic Average	39,796,108	293,977,626	0	333,773,734	81

### C. Water Supply System

1. Designed daily capacity of system in gallons 2,975,000
2. Storage Capacity
  - 2a. Elevated storage in gallons: 0
  - 2b. Ground storage in gallons: 2,400,000



## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### D. Projected Demands

1. The estimated water supply requirements for the next ten years using population trends, historical water use, economic growth, etc.

Year	Population	Water Demand (gallons)
2020	11,505	403,135,200
2021	11,505	403,135,200
2022	11,505	403,135,200
2023	11,505	403,135,200
2024	11,505	403,135,200
2025	11,505	403,135,200
2026	11,505	403,135,200
2027	11,505	403,135,200
2028	11,505	403,135,200
2029	11,505	403,135,200

2. Description of source data and how projected water demands were determined.

District is currently fully developed all land within its current boundaries. Calculations are based on 96 GPCD

### E. High Volume Customers

1. The annual water use for the five highest volume  
**RETAIL customers.**

Customer	Water Use Category	Annual Water Use	Treated or Raw
Regal Cinema	Agricultural	2,208,000	Treated
Klein ISD	Institutional	1,961,000	Treated
Three Lakes CIA	Institutional	1,793,000	Treated
Regal Cinema Inc.	Commercial	1,651,000	Treated
Texas Roadhouse	Commercial	1,583,000	Treated

2. The annual water use for the five highest volume  
**WHOLESALE customers.**

Customer	Water Use Category	Annual Water Use	Treated or Raw
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## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### F. Utility Data Comment Section

Additional comments about utility data.

### Section II: System Data

#### A. Retail Water Supplier Connections

1. List of active retail connections by major water use category.

Water Use Category Type	Total Retail Connections (Active + Inactive)	Percent of Total Connections
Residential - Single Family	3,835	97.93 %
Residential - Multi-Family	0	0.00 %
Industrial	0	0.00 %
Commercial	35	0.89 %
Institutional	2	0.05 %
Agricultural	44	1.12 %
<b>Total</b>	<b>3,916</b>	<b>100.00 %</b>

2. Net number of new retail connections by water use category for the previous five years.

Net Number of New Retail Connections							
Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
<b>2018</b>	36	0	0	8	0	1	45
<b>2017</b>	34	0	0	0	0	0	34
<b>2016</b>	0	0	0	0	0	0	0
<b>2015</b>	36	0	0	1	0	1	38
<b>2014</b>	53	0	0	1	0	2	56

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### B. Accounting Data

The previous five years' gallons of RETAIL water provided in each major water use category.

Year	Residential - Single Family	Residential - Multi-Family	Industrial	Commercial	Institutional	Agricultural	Total
2018	266,037,000	0	0	15,911,000	1,819,000	18,954,000	302,721,000
2017	272,626,000	0	0	15,002,000	2,120,000	22,802,000	312,550,000
2016	271,467,000	0	0	14,388,000	2,177,000	29,585,000	317,617,000
2015	271,613,000	0	0	13,900,000	2,180,000	27,726,000	315,419,000
2014	266,273,000	0	0	11,727,000	2,187,000	30,863,000	311,050,000

### C. Residential Water Use

The previous five years residential GPCD for single family and multi-family units.

Year	Residential - Single Family	Residential - Multi-Family	Total Residential
2018	63	0	63
2017	66	0	66
2016	66	0	66
2015	67	0	67
2014	66	0	66
Historic Average	66	0	66

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### D. Annual and Seasonal Water Use

1. The previous five years' gallons of treated water provided to RETAIL customers.

Month	Total Gallons of Treated Water				
	2018	2017	2016	2015	2014
January	20,979,000	23,496,000	21,994,000	22,928,000	22,059,000
February	23,680,000	23,415,000	20,883,000	22,410,000	20,500,000
March	21,198,000	20,674,000	23,830,000	19,440,000	19,170,000
April	26,014,000	24,980,000	24,592,000	24,857,000	24,395,000
May	26,008,000	27,457,000	16,863,000	24,425,000	30,516,000
June	35,118,000	30,510,000	26,981,000	25,879,000	31,333,000
July	28,963,000	33,690,000	30,811,000	27,322,000	29,782,000
August	38,664,000	31,225,000	44,377,000	44,663,000	31,691,000
September	34,183,000	26,974,000	32,168,000	37,438,000	37,983,000
October	24,018,000	26,793,000	30,237,000	36,189,000	30,615,000
November	22,728,000	26,600,000	32,041,000	29,025,000	27,074,000
December	20,937,000	24,714,000	24,959,000	24,146,000	23,881,000
<b>Total</b>	322,490,000	320,528,000	329,736,000	338,722,000	328,999,000

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

2. The previous five years' gallons of raw water provided to RETAIL customers.

Month	Total Gallons of Raw Water				
	2018	2017	2016	2015	2014
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total					

3. Summary of seasonal and annual water use.

	Summer RETAIL (Treated + Raw)	Total RETAIL (Treated + Raw)
2018	102,745,000	322,490,000
2017	95,425,000	320,528,000
2016	102,169,000	329,736,000
2015	97,864,000	338,722,000
2014	92,806,000	328,999,000
Average in Gallons	98,201,800.00	328,095,000.00

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### E. Water Loss

Water Loss data for the previous five years.

Year	Total Water Loss in Gallons	Water Loss in GPCD	Water Loss as a Percentage
2018	21,685,806	5	6.60 %
2017	10,265,396	2	3.14 %
2016	13,729,533	3	4.07 %
2015	24,120,233	6	6.96 %
2014	14,100,191	4	4.28 %
Average	16,780,232	4	5.01 %

### F. Peak Day Use

Average Daily Water Use and Peak Day Water Use for the previous five years.

Year	Average Daily Use (gal)	Peak Day Use (gal)	Ratio (peak/avg)
2018	883,534	1116793	1.2640
2017	878,158	1037228	1.1811
2016	903,386	1110532	1.2293
2015	928,005	1063739	1.1463
2014	901,367	1008760	1.1191

### G. Summary of Historic Water Use

Water Use Category	Historic Average	Percent of Connections	Percent of Water Use
Residential - Single Family	269,603,200	97.93 %	86.45 %
Residential - Multi-Family	0	0.00 %	0.00 %
Industrial	0	0.00 %	0.00 %
Commercial	14,185,600	0.89 %	4.55 %
Institutional	2,096,600	0.05 %	0.67 %
Agricultural	25,986,000	1.12 %	8.33 %

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

### H. System Data Comment Section

### Section III Wastewater System Data

#### A. Wastewater System Data

- Design capacity of wastewater treatment plant(s) in gallons per day: 900,000
- List of active wastewater connections by major water use category.

Water Use Category	Metered	Unmetered	Total Connections	Percent of Total Connections
<b>Municipal</b>	3,835	0	3,835	97.93 %
<b>Industrial</b>	0	0	0	0.00 %
<b>Commercial</b>	35	0	35	0.89 %
<b>Institutional</b>	2	0	2	0.05 %
<b>Agricultural</b>	44	0	44	1.12 %
<b>Total</b>	3,916	0	3,916	100.00 %

- Percentage of water serviced by the wastewater system: 100.00 %

## UTILITY PROFILE FOR RETAIL WATER SUPPLIER

4. Number of gallons of wastewater that was treated by the utility for the previous five years.

Month	Total Gallons of Treated Water				
	2018	2017	2016	2015	2014
January	22,329,000	25,396,000	19,265,000	25,415,000	20,512,000
February	20,921,000	19,456,000	16,918,000	18,379,000	18,288,000
March	22,114,000	21,135,000	19,349,000	23,311,000	20,314,000
April	20,512,000	20,185,000	25,062,000	21,163,000	20,618,000
May	20,405,000	21,302,000	23,564,000	23,243,000	23,385,000
June	20,707,000	20,770,000	23,877,000	20,372,000	22,196,000
July	20,913,000	21,937,000	21,055,000	17,984,000	22,263,000
August	20,798,000	33,703,000	25,079,000	18,375,000	22,191,000
September	20,979,000	21,532,000	20,415,000	17,314,000	22,679,000
October	22,400,000	21,506,000	21,169,000	19,807,000	22,133,000
November	22,035,000	20,057,000	20,630,000	18,655,000	19,872,000
December	23,247,000	22,143,000	27,251,000	20,535,000	21,297,000
<b>Total</b>	257,360,000	269,122,000	263,634,000	244,553,000	255,748,000

5. Could treated wastewater be substituted for potable water?

☐

Yes

☒

No

### B. Reuse Data

1. Data by type of recycling and reuse activities implemented during the current reporting period.

Type of Reuse	Total Annual Volume (in gallons)
On-site Irrigation	
Plant wash down	700,800
Chlorination/de-chlorination	5,256,000
Industrial	
Landscape irrigation (park,golf courses)	0
Agricultural	
Discharge to surface water	
Evaporation Pond	
Other	
<b>Total</b>	5,956,800



## **UTILITY PROFILE FOR RETAIL WATER SUPPLIER**

### **C. Wastewater System Data Comment**

Additional comments and files to support or explain wastewater system data listed below.

--

## Exhibit "B"

A. Temporary Connections. The District's Operator shall be authorized to make a temporary connection to any fire hydrant or flushing valve upon request for temporary water service. All temporary service shall be metered and billed to the temporary Customer as provided herein. All unauthorized withdrawal of water from flushing valves, fire hydrants, or other appurtenances of the District's System without prior approval of the District, except for emergency fire-fighting purposes, is prohibited.

B. Application and Deposit. Each temporary Customer desiring temporary water service shall be required to execute an application for such temporary service and shall provide a minimum security deposit of \$500.00, but not more than \$1,000.00, with such determination to be made by the District's Operator depending on the length of time temporary service is required and estimated amount of water to be used. The deposit shall be made by cashier's check or money order payable to the District. The deposit shall be used by the District to secure the payment for temporary water supplied by the District, the installation fee, and the cost of repair of any damages caused by the temporary Customer. The balance of the security deposit greater than \$5.00 shall be refunded after disconnection from the District's System.

C. Fees and Rates. A fee of \$50.00 for costs of installation, plus the cost of the metered water, plus the cost of rental of the meter, shall be charged for temporary water service. The following rates for the sale of water for each temporary water service connection shall be in effect from the effective date hereof until such time as the Board amends said rates:

Meter Rental:	\$2.00 per day
Usage cost:	two (2) times the Single-family Residential and Builder rate as set forth in Section 3.01A

Section 2.08. Service to Out-of-District Customers. All requests for water and sewer service from parties located outside the boundaries of the District shall be considered on a case by case basis and governed by separate agreement.

Section 2.09. Title to Facilities. Title to all water meters, water and sewer taps, and all other appurtenances, including meter boxes, shall lie in the District.

### ARTICLE III SERVICE RATES

Section 3.01. Water Service Rates. The following monthly rates for the sale of water shall be in effect for each Separate Connection within the District from the effective date hereof until such time as the Board of Directors amends said rates:

Type of Connection		Gallons Used	Rate
A	Single Family Residential and Builder	0 - 5,000	\$15.00 minimum
		5,001 to 10,000	\$1.75 per 1,000 gallons
		10,001 to 20,000	\$2.00 per 1,000 gallons
		20,001 to 30,000	\$2.50 per 1,000 gallons

		30,001 & over	\$3.00 per 1,000 gallons
B	Multifamily Residential (During construction and prior to occupancy)	0 – 5,000	\$25.00 minimum
		5,001 to 10,000	\$1.75 per 1,000 gallons
		10,001 to 20,000	\$2.00 per 1,000 gallons
		20,001 to 30,000	\$2.50 per 1,000 gallons
		30,001 & over	\$3.00 per 1,000 gallons
B	Multifamily Residential (Post Construction per unit available for occupancy)	0 - 5,000	\$25.00 minimum
		5,001 to 10,000	\$1.75 per 1,000 gallons
		10,001 & over	\$2.50 per 1,000 gallons
C	Commercial	0 – 5,000	\$25.00 minimum
		5,001 to 10,000	\$1.75 per 1,000 gallons
		10,001 to 20,000	\$2.00 per 1,000 gallons
		20,001 to 30,000	\$2.50 per 1,000 gallons
		30,001 & over	\$3.00 per 1,000 gallons
D	Esplanades and/or Non-Profit Connections	\$0.75 per 1,000 gallons	

**Section 3.02. Sewer Service Rates.** The following monthly rates for the collection and disposal of sewage shall be in effect for each Separate Connection within the District from the effective date hereof until such time as the Board amends said rates:

	Type of Connection	Gallons Used	Rate
A	Single Family Residential and Builder	Any Amount	\$41.61
B	Multifamily Residential	0 – 10,000	\$27.19 per unit
		10,001 & over	\$1.00 per 1,000 gallons
C	Commercial	0 – 10,000	\$23.19 per unit
		10,001 & over	\$1.00 per 1,000 gallons

**Section 3.03. Security Service Fee.** The following monthly rates shall be charged to help offset the cost of the security patrol service within the District and shall be in effect for each Commercial, Irrigation, Non-Taxable, and Public Space User Connection within the District from the effective date hereof until such time as the Board amends said rates:

Type of Connection	Gallons	Rate
Commercial Connection	0 – 49,000	\$ 200.00 Flat Rate
Non-Taxable Connection	50,000 – 79,000	\$ 350.00 Flat Rate
	80,000 – 150,000	\$ 600.00 Flat Rate
	150,000 & over	\$3,500.00 Flat Rate
Esplanade, Irrigation and	N/A	\$20.00 per meter





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

## **OPERATIONS REPORT**

**For**

**HARRIS COUNTY MUD #368**

**APRIL 4, 2019  
BOARD MEETING**

**MONTHLY ACTIVITY REPORT**  
**FOR**  
**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT # 368**

**COLLECTIONS DATE RANGE:** February 22, 2019 thru March 20, 2019

<b>Water Collections:</b>	<b>\$ <u>72,048.84</u></b>
<b>Sewer Collections:</b>	<b><u>158,599.96</u></b>
<b>NHCRWA Fees:</b>	<b><u>81,607.75</u></b>
<b>Security Service Fees</b>	<b><u>11,940.00</u></b>
<b>Late Letter Fees:</b>	<b><u>3,670.68</u></b>
<b>Penalties:</b>	<b><u>6,442.34</u></b>
<b>Deposits:</b>	<b><u>6,297.24</u></b>
<b>Transfer Fees:</b>	<b><u>925.00</u></b>
<b>Miscellaneous:</b>	<b><u>3,766.44</u></b>
<b>Unapplied Payments/Overpayments:</b>	<b><u>3,205.08</u></b>

**TOTAL COLLECTIONS:**

**\$348,503.33**

**CURRENT BILLING DUE FOR PERIOD ENDING MARCH 13, 2019:**

<b>Water:</b>	<b>\$ <u>66,927.75</u></b>
<b>Sewer:</b>	<b><u>160,931.41</u></b>
<b>NHCRWA Fees:</b>	<b><u>77,637.28</u></b>
<b>Security Service Fee:</b>	<b><u>11,680.00</u></b>

**TOTAL CURRENT BILLING:**

**\$317,176.44**

**PREPARED BY: EAGLE WATER MANAGEMENT, INC.**

**HARRIS COUNTY MUD #368  
APRIL 2019 MEETING**

<u>Billing Period: February 15, 2019 thru March 13, 2019</u>	<u>GALLONS</u>	<u>GALLONS</u>
TOTAL WELL GALLONS PUMPED DURING BILLING CYCLE:	2,156,000	
RECEIVED FROM NHCRWA	<u>17,276,000</u>	
<b><u>TOTAL GALLONS PUMPED:</u></b>	<b><u>19,432,000</u></b>	
<b><u>WATER LOSSES</u></b>		<b><u>LOSS</u></b>
WASTE TREATMENT PLANT USAGE:		0
INTERCONNECT USAGE DELIVERED:		0
LINE FLUSHINGS:		0
FIRE HYDRANT FLUSHINGS:		704,200
UNAUTHORIZED CONSUMPTION: (Theft - estimate)		0
STORAGE TANK DRAINING/FLUSHING: (Overflow)		0
HYDROPNEUMATIC TANK REFILLS:		0
MAIN BREAKS: (Estimate)		0
SERVICE LINE LEAKS:		0
WATER MAIN FILLINGS:		0
FIRE HYDRANT METER RENTAL USAGE:		0
OTHER: WELL FLUSHING		104,800
<b><u>TOTAL WATER LOSSES FOR BILLING CYCLE:</u></b>		<b><u>809,000</u></b>
<b><u>TOTAL NET GALLONS PUMPED:</u></b>	<b><u>18,623,000</u></b>	
<b><u>GALLONS BILLED FOR BILLING CYCLE:</u></b>	<b><u>18,844,000</u></b>	
<b><u>PUMP TO BILL PERCENTAGE FOR BILLING CYCLE:</u></b>		<b><u>101.2%</u></b>
<b><u>ADDITIONAL INFORMATION:</u></b>		
<b><u>NUMBER OF CONNECTION ACCOUNTS</u></b>		
RESIDENTIAL	3,831	
COMMERCIAL	35	
APARTMENTS	0	
NON PROFIT	2	
BUILDERS	0	
IRRIGATION/OTHERS	46	
<b><u>TOTAL NUMBER OF ACCOUNTS:</u></b>	<b><u>3,914</u></b>	

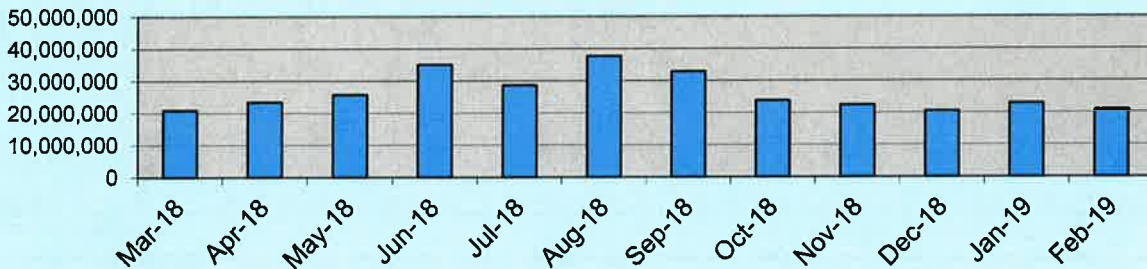
EAGLE WATER MANAGEMENT, INC.

HARRIS COUNTY MUD #368

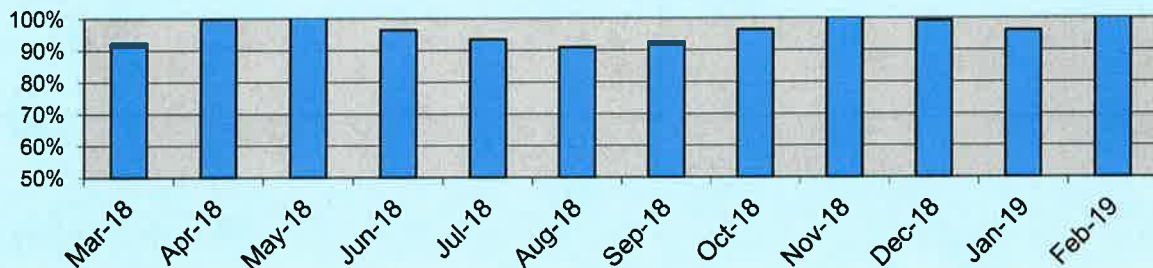
WATER PRODUCTION & ACCOUNTABILITY

MO/YR	PUMPED (MG)	BILLED (MG)	%	Four Month Average
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%	97.8%
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%
Oct-18	23,809,400	22,953,000	96.40%	93.3%
Nov-18	22,439,500	22,507,000	100.30%	95.0%
Dec-18	20,535,400	20,377,000	99.23%	97.1%
Jan-19	22,951,500	22,080,000	96.20%	98.0%
Feb-19	20,636,400	20,687,000	100.25%	99.0%
Mar-19	18,623,000	18,844,000	101.19%	99.2%

WATER PRODUCTION



WATER ACCOUNTABILITY





**HARRIS COUNTY MUD #368**

**WATER PLANT**  
**MONTHLY FACILITY REPORT**

**MONTH OF MARCH 2019**

**WELL #2 PUMPAGE**

**CURRENT**

**LAST MONTH**

Average Daily  
Maximum Daily  
Minimum Daily

72,000 gallons  
319,000 gallons  
0 gallons  
**2,231,000 gallons**

33,000 gallons  
255,000 gallons  
0 gallons  
**916,000 gallons**

**TOTAL**

**WELL #3 PUMPAGE**

**CURRENT**

**LAST MONTH**

Average Daily  
Maximum Daily  
Minimum Daily

11,000 gallons  
203,000 gallons  
0 gallons  
**333,000 gallons**

5,000 gallons  
122,000 gallons  
0 gallons  
**142,000 gallons**

**TOTAL**

**WELL #4 PUMPAGE**

**CURRENT**

**LAST MONTH**

Average Daily  
Maximum Daily  
Minimum Daily

11,000 gallons  
239,000 gallons  
0 gallons  
**352,000 gallons**

23,000 gallons  
174,000 gallons  
0 gallons  
**644,000 gallons**

**TOTAL**

**WELL #5 PUMPAGE**

**CURRENT**

**LAST MONTH**

Average Daily  
Maximum Daily  
Minimum Daily

5,000 gallons  
74,000 gallons  
0 gallons  
**156,000 gallons**

4,000 gallons  
54,000 gallons  
0 gallons  
**110,000 gallons**

**TOTAL**

**WELL #6 PUMPAGE**

**CURRENT**

**LAST MONTH**

Average Daily  
Maximum Daily  
Minimum Daily

3,000 gallons  
100,000 gallons  
0 gallons  
**100,000 gallons**

3,000 gallons  
74,000 gallons  
0 gallons  
**74,000 gallons**

**TOTAL**

**TOTAL PUMPAGE FROM WELLS**  
**TOTAL RECEIVED FROM NHCRWA**  
**TOTAL COMBINED PRODUCTION**  
**PERCENTAGE SURFACE WATER**

**3,172,000 gallons**  
**21,345,000 gallons**  
**24,517,000 gallons**  
**87.06%**

**1,886,000 gallons**  
**17,034,000 gallons**  
**18,920,000 gallons**  
**90.03%**

**PERMIT TERM:**

**SEPT 1, 2018 THRU AUGUST 31, 2019**

**YEAR TO DATE PUMPAGE THRU 2019 PERMIT TERM:**

**19,162,000 gallons**

**YEAR TO DATE RWA WATER THRU 2019 PERMIT TERM:**

**135,918,000 gallons**

**PERCENTAGE SURFACE WATER DURING PERMIT TERM**

**87.64%**

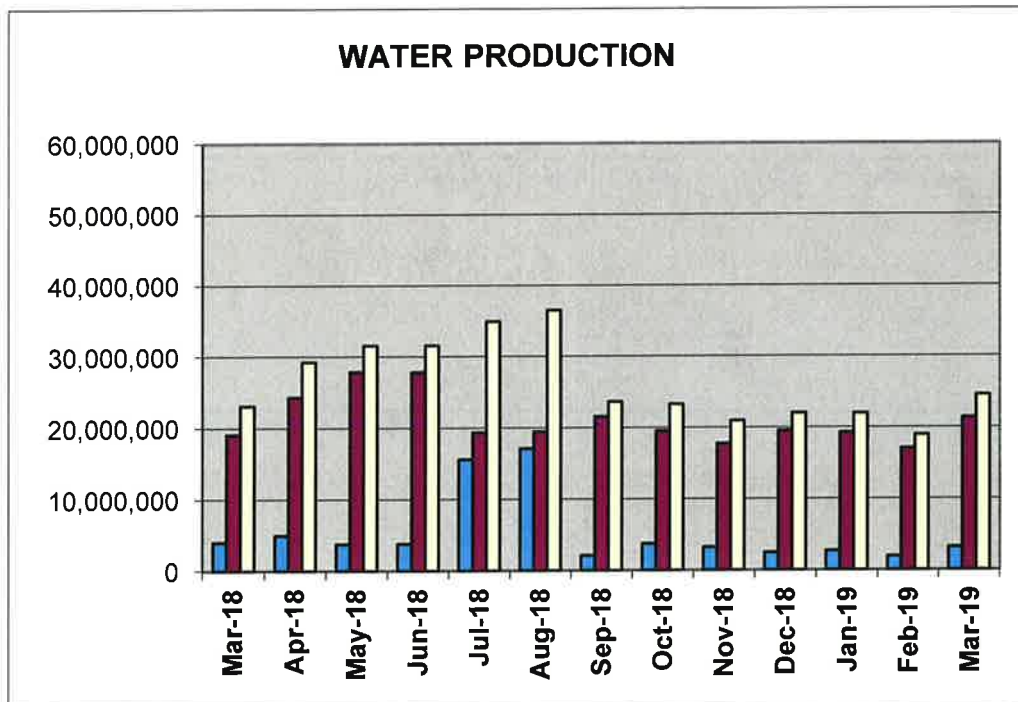
**CONDITION OF EQUIPMENT:**

**FUTURE ANTICIPATED PROJECTS:**

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT #368

### WATER PRODUCTION REPORT

MONTH/YEAR	PUMPAGE	NHCRWA	TOTAL
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
Oct-18	3,714,000	19,517,000	23,231,000
Nov-18	3,219,000	17,713,000	20,932,000
Dec-18	2,435,000	19,531,000	21,966,000
Jan-19	2,669,000	19,251,000	21,920,000
Feb-19	1,886,000	17,034,000	18,920,000
Mar-19	3,172,000	21,345,000	24,517,000



MARCH 2019

**FLOW (GPD)**

**Average Daily Flow:** 664,000 GALLONS

**Percent of Rated Capacity:** 74%

**Minimum Daily Flow:** 268,000 GALLONS

**Maximum Daily Flow:** 1,107,000 GALLONS

**TOTAL FLOW:** 20,585,000 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-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	207,317	\$0.0425	\$8,810.97
Nov-18			\$0.00
Dec-18	208,701	\$0.0425	\$8,869.79
2018 Total	1,745,641		\$74,189.74
Jan-19			\$0.00
Feb-19	259,206	\$0.0425	\$11,016.26
Mar-19			\$0.00
Apr-19			\$0.00
May-19			\$0.00
Jun-19			\$0.00
Jul-19			\$0.00
Aug-19			\$0.00
Sep-19			\$0.00
Oct-19			\$0.00
Nov-19			\$0.00
Dec-19			\$0.00
2019 Total	259,206		\$11,016.26

Account Name	2016	2017	18-Jun	18-Jul	18-Aug	18-Sep	18-Oct	18-Nov	18-Dec	19-Jan	19-Feb	19-Mar	19-Apr	18-May Total
Graceview Baptist Church	\$1,500	\$2,400	\$200	\$350	\$350	\$350	\$350	\$200	\$350	\$600	\$600	\$600		\$3,950
100			45	38	61	65	68	49	75	89	98	119		
Walgreens	\$1,200	\$2,400	\$200	\$200	\$0	\$200	\$200	\$200	\$200	\$200	\$200	\$200		\$1,800
201			24	22	43	32	33	37	43	28	2	3		
Reach Unlimited (12335 White River)	\$1,500	\$2,550	\$200	\$200	\$200	\$600	\$200	\$200	\$200	\$200	\$200	\$200		\$2,400
300			19	20	29	88	27	18	16	15	25	17		
Houston Garden Center	\$1,200	\$2,400	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200		\$2,000
410			3	2	5	0	2	2	2	3	1	1		
Quick N Easy (Chevron)	\$1,200	\$2,400	\$200	\$200	\$200	\$200	\$200	\$200	\$350	\$200	N/A	N/A		\$1,750
500			11	14	16	16	22	21	66	44	N/A	N/A		
Chip-N-Dip											\$200	\$200	200	
501										45	26	10		
Landmark Property (Strip Center w/ Subway)	\$2,950	\$6,650	\$600	\$350	\$200	\$350	\$200	\$200	\$350	\$350	\$200	\$200		\$3,000
510			96	66	4	66	1	2	70	59	45	43		
Canyon Cleaners	\$1,800	\$4,000	\$350	\$200	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$200		\$3,200
521			60	49	55	50	55	59	50	52	50	14		
Tower Plaza (Strip Center by Chevron)	\$1,200	\$2,550	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200		\$2,000
600			24	21	19	23	19	25	23	22	34	28		
Regal Cinema Inc.	\$10,000	\$21,700	\$600	\$3,500	\$3,500	\$600	\$200	\$600	\$600	\$3,500	\$600	\$600		\$14,300
1222			134	206	173	104	31	107	126	188	109	108		
Khonville Elementary	\$3,000	\$5,500	\$350	\$200	\$200	\$600	\$600	\$600	\$600	\$350	\$600	\$600		\$4,700
140480			71	1	7	104	99	111	87	58	110	111		
Parkway Chevrolet	\$6,000	\$6,550	\$350	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200		\$2,150
186910			59	48	47	43	42	38	34	38	47	30		
Kids World Day care	\$1,200	\$2,400	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200		\$2,000
187220			21	13	0	44	19	20	18	16	22	20		
Valero	\$1,200	\$2,400	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200		\$2,000
201330			29	28	34	30	25	26	29	24	26	23		
Barkway Pet Resort	\$3,500	\$5,650	\$600	\$350	\$600	\$600	\$350	\$600	\$600	\$600	\$350	\$350		\$5,000
202221			111	69	112	94	70	85	93	85	53	71		
Blackhear Elementary	\$11,200	\$26,850	\$3,500	\$200	\$350	\$3,500	\$600	\$3,500	\$600	\$600	\$3,500	\$600		\$16,950
202561			165	34	70	313	105	349	146	109	183	143		
Texas Roadhouse	\$6,000	\$24,600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600		\$6,000
202770			132	121	141	123	119	132	135	150	145	136		
Fred Haas Nissan	\$6,000	\$7,200	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600	\$600		\$6,000
203120			108	106	121	119	112	123	118	131	138	139		
Lacey Food Mart	\$1,200	\$2,400	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200		\$2,000
203141			27	23	21	22	10	12	14	14	15	9		
Bahama Bucks	\$1,350	\$2,550	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200		\$2,000
207320			34	31	35	24	18	12	10	12	10	12		
HMT	\$1,500	\$2,550	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$350	\$200	\$200		\$2,150
207810			18	23	19	25	34	28	25	56	39	33		
Adriatic Café	\$1,100	\$4,200	\$600	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350	\$350		\$3,750
208151			86	60	71	58	56	62	62	73	65	63		
Parkway Lube Center		\$1,500	\$200	\$200	\$600	\$200	\$3,500	\$600	\$600	\$3,500	\$600	\$3,500		\$13,500
208710			43	0	110	15	880	125	141	152	142	164		
Totals	\$65,800	\$141,400	\$10,550	\$9,100	\$9,700	\$10,700	\$9,900	\$10,400	\$7,950	\$13,750	\$10,350	\$10,200	\$0	\$0
														\$102,600



**Form NODI:**

Parameter		NODI	Quantity or Loading		Quality or Concentration			# of Ex.	Freq. of Analysis	Smpl. Type
Code	Name		Value 1	Value 2	Units	Value 1	Value 2	Value 3	Units	
00300	Oxygen, dissolved [DO]									
1 - Effluent Gross		Smpl.				=7.8			19 - mg/L	0
									01/07 - Weekly	GR - GRAB
Season: 0		Req.				>=6 MO MIN			19 - mg/L	
NODI: -		NODI								
00400	pH									
1 - Effluent Gross		Smpl.				=7.3		=7.6	12 - SU	0
									02/30 - Twice Per Month	GR - GRAB

Code	Name	Value 1	Value 2	Units	Value 1	Value 2	Value 3	Units	of Ex.	Analysis	Type
Season: 0											
Req.					>=6 MINIMUM		<=9 MAXIMUM	12 - SU		02/30 - Twice Per Month	GR - GRAB
NODI: -											
00530	Solids, total suspended	Smpl. =12.4		26 - lb/d		=2	=2.9	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: -											
00610	Nitrogen, ammonia total [as N]	Smpl. =0.8		26 - lb/d		=0.1	=0.2	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: -											
01092	Zinc, total [as Zn]	Smpl. =0.554		26 - lb/d		=0.088	=0.097	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: -											
01105	Aluminum, total [as Al]	Smpl. =0.133		26 - lb/d		=0.019	=0.027	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: -											
50050	Flow, In conduit or thru treatment plant	Smpl. =0.659	=1.154	03 - MGD					0	99/99 - Continuous	TM - TOTALZ
1 - Effluent Gross											
Season: 0											
Req.		<=.9 DAILY AV	Req Mon DAILY MX	03 - MGD						99/99 - Continuous	TM - TOTALZ
NODI: -											
50060	Chlorine, total residual										
1 - Effluent Gross											
Smpl.					=1.19		=3.74	19 - mg/L	0	01/01 - Daily	GR - GRAB
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: -											
51040	E. coli										
1 - Effluent Gross											
Season: 0											
NODI: -											
80082	BOD, carbonaceous [5 day, 20 C]										
1 - Effluent Gross											
Season: 0											
NODI: -											
Season: 0											
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

No errors.

#### Comments

#### Attachments

No attachments.

#### Report Last Saved By

#### HARRIS COUNTY MUD 368

User: brian.eastex@yahoo.com

Name: Brian Sewell

E-Mail: brian.eastex@yahoo.com

Date/Time: 2019-03-08 10:31 (Time Zone:-06:00)

#### Report Last Signed By

User: mplunkett@eaglewatermanagement.com

Name: Mike Plunkett

E-Mail: mplunkett@eaglewatermanagement.com

Date/Time: 2019-03-08 10:41 (Time Zone:-06:00)





April 4, 2019

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. Extreme Event Swales to Serve Northern Point Subdivision

A final walkthrough inspection was held on February 13, 2019. We provided a punchlist to the contractor and they are working to address the remaining items.

We have prepared Change Order No. 3, which increases the contract amount by \$22,658.00.

2. Northern Point Stormwater Pump Station and Force Main

We have completed preliminary models and calculations for this project. Harris County will upsize the storm sewer during construction of Segment 3 of the Hufsmith Kohrville Improvements. We prepared a construction cost estimate for this project with a total estimated construction cost of \$812,500. This project is included in the current bond application. We can prepare a proposal for engineering services and begin design of the project upon the Board's request.

3. Project for Potential Harris County Joint Partnership

We have completed models based on topographic survey data and have selected areas of the street pavement where modifications could be made to allow better sheet flow throughout the subdivision. We have prepared a cost estimate for this project (\$486,000 construction estimate). This project is included in the current bond application. We believe this project is a good candidate for potential Harris County joint funding.

We have prepared a concept for an extreme event overflow from the Northern Point Detention Basin to Willow Creek. We have prepared a cost estimate for this project (\$200,000 construction estimate). This project is included in the current bond application. We believe this project is a good candidate for potential Harris County joint funding.

4. Detention Facilities Improvements

We have identified a number of repairs and improvements to be made to the District's detention facilities. We have prepared a cost estimate for this project (\$448,000 construction estimate). The project will improve the condition of the existing stormwater facilities and should reduce future maintenance costs. This project is included in the current bond application.

5. Facilities Communication and Security

EFS and Sipes Instrument and Electric Service visited the District's water facilities last week to inspect the MCCs and SCADA equipment. They have prepared a proposal in the amount of \$12,700.00 to install equipment and modify existing equipment for compatibility with cellular network.

6. Hufsmith Kohrville Improvements

Construction of Segment 2 will be starting soon. This segment involves the relocation of the existing Water Well No. 6 collection line, which will be completed by the Segment 2 contractor. The total cost of the relocation is estimated at \$281,500 and the District is responsible 50% of the portion within Harris County R.O.W., approximately \$60,000 of the estimated total cost.

Design of Segment 3 is nearly complete. Harris County is finalizing the Right-of-Way acquisition. This segment includes the storm sewer that will accommodate the excess drainage proposed from the increased capacity of the Northern Point Pump Station improvements.

7. Bond Issue No. 14

We will submit Bond Issue No. 14 once we have received all review comments.

8. Operations Committee Meeting

The next Operations Committee Meeting has not been scheduled.

9. Tomball Grand Storage Drainage

This development is located just south of Stonepine Subdivision, east of HCFCD Channel M-122-00-00. Concerns that the development is not draining to the channel in accordance with the Harris County permit have been brought to our attention.

This portion of the channel is owned by HCFCD. However, the District has been maintaining the channel at its own expense. We believe a maintenance agreement between the District and HCFCD should be prepared.

### **WATER SUPPLY SYSTEM MATTERS**

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

The March 2019 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.

11. Water Well No. 6 Conditional Acceptance and Sampling Requirements

Per the TCEQ well approval letter, the District must collect and submit chemical samples upon contact from a TCEQ representative or within 180 days of the date of the letter (**due August 14, 2019**). If the samples show levels higher than the minimum secondary constituent levels, the District may be required to design and install additional treatment equipment. Additionally, there are new sampling requirements for Water Well No. 6, which can be found in the attached TCEQ approval letter.

12. Water Plant No. 1 Inspection

The Ground Storage and Hydropneumatic Tanks have been inspected. We are preparing an inspection report and will provide recommendations at next month's meeting.

### **WASTEWATER TREATMENT SYSTEM MATTERS**

13. Phase 4 Sanitary Sewer Rehab

We have provided a list of recommended repairs and maintenance items to the Operator. He is preparing a proposal to complete this work.

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

No new activity to report.

15. Lift Station Control Panel Replacements

The electrical engineering consultant is preparing a proposal to perform engineering services for the control panels. We are working to ensure all the District's requirements for the panels are included in the design.

16. 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.

We are preparing preliminary plans and specifications for the Wastewater Treatment Plant Rehabilitation project.

The grit chamber is not functioning and requires repairs. The manufacturer, Smith & Loveless, Inc., has provided a proposal to repair the equipment in the amount of \$43,982.00. The grit chamber is necessary for keeping grit and sediment from entering the treatment basins.

#### **RESIDENTIAL AND COMMERCIAL DEVELOPMENT PROJECTS**

17. **Harris County Street Acceptance Status**

We have been informed that the streets within Willow Falls Section 4 have not been accepted for maintenance. The contractor would not correct a construction issue which resulted in a "bird bath" in the street pavement, and the developer is no longer engaged in this development. In order to get the streets accepted by Harris County, the pavement will need to be repaired.

We contacted Uretex, a company that specializes in these types of repairs. They have provided a quote to complete this repair in the amount of \$3,900.00.

Additionally, Pinemeade Lane and Bright Point Court in Stonepine Section 2 are not on the Harris County Road Log. The County believes that this is an internal error and are working to get this issue resolved.

18. **NorthPointe Center-Phase II (Santikos)**

No new activity to report.

19. **Bombshells Restaurant**

Construction is complete.

20. **136-Acre Finger Tract**

No new activity to report.

21. **Northpointe Business Park**

The engineer is working to obtain agency approvals. We received updated plans this week and will review and provide comments.

22. **Braemar Village Tract**

The developer has submitted payment for the feasibility study deposit. We will begin preparing the feasibility study report.

23. Little Woodrows

The developer's engineer has prepared plans, and we have sent them our review comments. The developer is working with the attorney to complete the annexation process.

24. 12.5-Acre Dungrove Tract

No new activity to report.

25. 12.9-Acre Tract East of Hufsmith Kohrville

The developer has dropped this development plan, because the storm sewer along Hufsmith Kohrville does not provide enough outfall depth to serve the tract. There may be an opportunity for the District to partner with Harris County to redesign this storm sewer to allow outfall depth for this site.

26. 42-Acre Favro Family Tract (West of Hufsmith Kohrville)

We are preparing the feasibility study for this development. The development includes 63 single-family residential lots, 11 private estate lots, a community center including a club and recreational land and facilities, and a parking lot. We have provided a few land plan options for the developer and will prepare a feasibility report once the developer chooses a land plan.

27. Riverside Construction Tract

We have been contacted by Riverside Construction regarding development of land south of Stonepine. We have instructed them to submit a check for the \$7,500 feasibility deposit. Once the District receives payment, we will begin preparing the feasibility report.

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

Respectfully,



Matthew Carpenter, P.E.



Kameron H. Pugh, P.E.

X:\0400\045600100 HCMUD 368 Gen Con\MR - DIST ENGR REPORTS\2019\ESR HCMUD 368 20190404.docx







**CONTRACT CHANGE ORDER**

Project: Extreme Event Drainage Swales to Serve Northern Point  
Subdivision

Date: 3/29/2019  
Change Order No.: 3  
Job No.: 0456-153-00  
Contract No.: 2

Owner: Harris County Municipal Utility District No. 368

Contractor: Camino Services, LLC

**REVISED CONTRACT AMOUNT**

Original Contract Amount:	\$117,574.00
Previous Contract Amount:	\$196,521.48
Amount This Change Order:	\$22,658.00
Revised Contract Amount:	\$219,179.48

**1. GENERAL STATEMENT OF CHANGE:**

This order covers the contract modification as follows:  
See attachment.

**2. TIME: None**

The work covered by this change order shall be performed under the same terms and conditions as included in the original construction contract.

Changes Approved:

Harris County Municipal Utility District No.  
368

Owner

By: \_\_\_\_\_  
(Date)

Camino Services, LLC

Contractor

By: \_\_\_\_\_  
(Date)

Changes Recommended:

IDS Engineering Group

Engineer

By:                      4/4/19  
(Date)

**CONTRACT CHANGE ORDER**

Page 2 of 2

Project: Extreme Event Drainage Swales to Serve Northern Point  
Subdivision

Date: 3/29/2019  
Change Order No.: 3  
Job No.: 0456-153-00  
Contract No.: 2

Owner: Harris County Municipal Utility District No. 368

Contractor: Camino Services, LLC

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**ADDITIONAL ITEMS****3. CONTRACT DRAWING REVISIONS:**

None

**4. CONTRACT DOCUMENTS REVISIONS:**

None

**5. CONTRACT PRICE REVISIONS:****Add the following items:**

<u>Item No.</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Description</u>	<u>Add Cost</u>
CO3A	1	LS.	\$15,570.00	Furnish and Install Standard HCFC Combination Backslope and Offsite Ditch Interceptor Structure, Complete in Place:	\$15,570.00
CO3B	488	S.F.	\$13.50	Remove and Replace Existing Concrete Sidewalk, Complete in Place:	\$6,588.00
CO3C	2	EA.	\$250.00	Furnish all Labor, Equipment, Materials, and Superintendence for Steel Welding Modifications for SWQ Bar Screens, Complete in Place:	\$500.00

**TOTAL AMOUNT OF CHANGE ORDER NO. 3****\$22,658.00**





16130 Hollister  
Houston, TX 77066  
Ph. 281-357-5020 Fax: 281-587-5999

To: IDS Engineering Group  
Address: 13430 Northwest Fwy #700  
Houston, TX 77040

Attn:  
Phone: () -  
Fax: () -

Project: - NORTHPOINTE EES BACKSLOPE

Item	Description	Quantity	Unit	Unit Price	Total
10	MOBILIZATION	1.000	EA	\$1,200.00	\$1,200.00
20	PIPE CMP 24"	60.000	LF	\$ 142.00	\$8,520.00
40	CONCRETE 5"	200.000	SF	\$ 23.00	\$4,600.00
50	GRADE AND SEED SIDESLOPES	1.000	EA	\$1,250.00	\$1,250.00
Bid Total					\$15,570.00

**Subject to Master Agreement:** Customer and Company have executed a Master Agreement to set forth the terms by which they agree to do business (the "Agreement"). Work performed under this Proposal is subject to the terms and conditions of the Agreement, which is incorporated herein. The Agreement and this Proposal form the entire agreement with respect to the scope of work described in this Proposal; Customer is not relying on any promises or representations that are not specifically set forth in this Proposal or in the Agreement.

**Proposal Duration:** This Proposal is valid for 120 days after the Date of Proposal above, but may, at the Company's sole option, be withdrawn or revised or extended at any time before acceptance by the Customer.

**Acceptance:** The Customer may accept this Proposal either by a) signing where indicated or b) asking the Company in writing to begin work. In the event of either form of acceptance, this Proposal will become part of the contract between the Customer and the Company.

**Term:** The Work under this Proposal will continue as long as the Customer's Permit requires services from the Company and the Customer is in good financial standing with respect to this Proposal and any other work being done under this Agreement. However when the Customer terminates a Permit, no longer requires authorization to discharge storm water, transfers operational control to another operator, and/or permanently stabilizes disturbed areas under the terms of a Permit, the Company will cease service in that area and will no longer be responsible for providing services for that area.

**Camino Services, LLC**  
**16130 Hollister**  
**Houston, TX 77066**

**Project: NORTHPOINTE EES BACKSLOPE**

**Proposal Date: 03/07/2019**

IDS Engineering Group (the "Customer") Camino Services, LLC (the "Company")

\_\_\_\_\_[signature] \_\_\_\_\_[signature]

\_\_\_\_\_[printed name] \_\_\_\_\_[printed name]

\_\_\_\_\_[title] \_\_\_\_\_[title]

\_\_\_\_\_[date] \_\_\_\_\_[date]



16130 Hollister  
Houston, TX 77066  
Ph. 281-357-5020 Fax: 281-587-5999

To: IDS Engineering Group  
Address: 13430 Northwest Fwy #700  
Houston, TX 77040

Attn: Kameron Pugh  
Phone: () -  
Fax: () -

Project: Northpointe Additional Items

Item	Description	Quantity	Unit	Unit Price	Total
1	Remove Dispose and Replace Sidewalk	488.000	SF	\$ 13.50	\$6,588.00
2	Bar screen Extensions	2.000	EA	\$ 250.00	\$ 500.00
Bid Total					\$7,088.00

**Subject to Master Agreement:** Customer and Company have executed a Master Agreement to set forth the terms by which they agree to do business (the "Agreement"). Work performed under this Proposal is subject to the terms and conditions of the Agreement, which is incorporated herein. The Agreement and this Proposal form the entire agreement with respect to the scope of work described in this Proposal; Customer is not relying on any promises or representations that are not specifically set forth in this Proposal or in the Agreement.

**Proposal Duration:** This Proposal is valid for 120 days after the Date of Proposal above, but may, at the Company's sole option, be withdrawn or revised or extended at any time before acceptance by the Customer.

**Acceptance:** The Customer may accept this Proposal either by a) signing where indicated or b) asking the Company in writing to begin work. In the event of either form of acceptance, this Proposal will become part of the contract between the Customer and the Company.

**Term:** The Work under this Proposal will continue as long as the Customer's Permit requires services from the Company and the Customer is in good financial standing with respect to this Proposal and any other work being done under this Agreement. However when the Customer terminates a Permit, no longer requires authorization to discharge storm water, transfers operational control to another operator, and/or permanently stabilizes disturbed areas under the terms of a Permit, the Company will cease service in that area and will no longer be responsible for providing services for that area.

**Camino Services, LLC**  
16130 Hollister  
Houston, TX 77066

**Project: Northpointe Additional Items**

**Proposal Date: 03/29/2019**

IDS Engineering Group (the "Customer") Camino Services, LLC (the "Company")

\_\_\_\_\_[signature] \_\_\_\_\_[signature]

\_\_\_\_\_[printed name] \_\_\_\_\_[printed name]

\_\_\_\_\_[title] \_\_\_\_\_[title]

\_\_\_\_\_[date] \_\_\_\_\_[date]

James Sipes  
S.I.E.S.  
P.O. Box 1199  
Forney, Texas 75126  
Office 214 453 0222  
Cell 817 658 5170  
City of Sonora

# Harris County Municiple District

## SCADA System Communications

4/3/2019

Kameron,

Thank you for the opportunity to provide a scope and price for the above system.

The existing system, radios and PLC's are Modbus serial based and not Ethernet. It limits us on the modems.

I have attached the DATA sheet of the cell modems we will be basing our quote on.

## SITES

## REMOTE WELL 6

- 2 Red Lion Cell Modems
- Modem Configuration
- Modem Installation

WATER PLANT 1

- 2 Red Lion Cell Modems
- Modem Configuration
- Modem Installation

---

WATER PLANT 2

- 2 Red Lion Cell Modems
- Modem Configuration
- Modem Installation

WATER PLANT 3

- 2 Red Lion Cell Modems
- Modem configuration
- Modem Installation

**PRICE.....\$ 12,700.00**

**QUALIFICATIONS**

- Exclude the cell accounts and Initializing of the cell accounts
- Exclude any cost associated with Public Utilities ie: phone, internet , or power companies
- Exclude all permits license and fees

If you have any questions or if I can be of further assistance please feel free to call me at 817 658 5170

Sincerely,

*James Sipes*

James Sipes

# RAM® 6000 Cellular RTUs

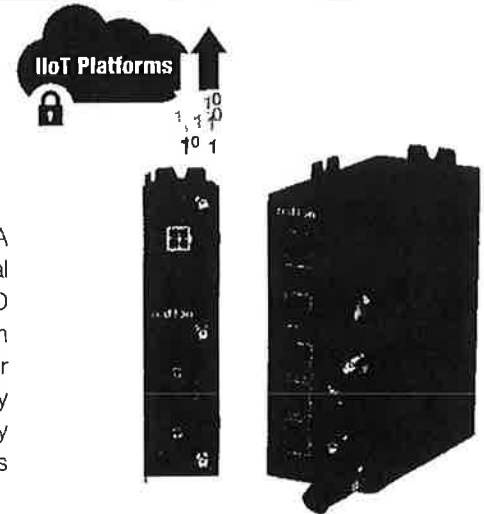
Sixnet® Networking Series



## Multi-Carrier RTUs with GPS and Local Control

Red Lion's Sixnet series RAM 6000 cellular RTUs with multi-carrier 4G LTE support, provide advanced control and communication for monitoring and controlling remote assets and processes in extreme conditions.

RAM 6000 industrial cellular RTUs seamlessly connect Modbus and DNP3 enabled SCADA equipment via software selectable multi-carrier 4G LTE to remote networks or select Industrial Internet of Things (IIoT) Cloud platforms. Featuring a web-based event engine that can trigger I/O or send SMS text messages based on real-time operational data, RAM cellular RTUs can perform advanced local edge control and alert personnel of critical events. A built-in I/O concentrator allows the RAM to collect local sensor data and can optimize cellular bandwidth by optionally reporting only on an exception. With built-in Ethernet, serial, I/O and GPS, RAM RTUs easily integrate with existing equipment enabling remote monitoring and control for M2M applications in industries including oil and gas, water/wastewater, utility, transportation and mining.



### APPLICATIONS

- > Mining
- > Oil & Gas
- > Transportation
- > Utility
- > Water/Wastewater

### PRODUCT HIGHLIGHTS

- > Multi-Carrier 4G LTE Connectivity
- > Natively Supports Modbus & DNP3 Protocols
- > Cloud Connectivity to IIoT Cloud Platforms
- > Routing Capabilities Provide Secure, Reliable Communication
- > Active GPS Receiver Tracks Device Location
- > Event Engine can Trigger I/O or Send SMS Messages
- > Optional PoE (Powered Device) Support

### FEATURES & BENEFITS

- > Multi-Carrier 4G LTE Connectivity
  - Select the best carrier during or post deployment via software configuration
- > Multiple Communication Ports
  - One RS-232 serial port, and up to five Ethernet ports provide seamless connectivity to remote devices
- > Rugged, Industrial Design
  - Reliable operation in extreme environments
  - -40° to 75°C operating temperature\*
- > Modbus and DNP3 Support
  - Easily communicates with SCADA equipment with native protocols
- > Cloud Connectivity to IIoT Cloud Platforms
  - Allows for seamless communication with leading IIoT cloud platforms
  - Integrates with deviceWISE, Fusion Connect, IPwebcontrol, IQ Web SCADA and Skkynet platforms
- > Out-Of Band Management (OOBM)
  - Secure remote CLI access via serial port
  - Pre-loaded with many console port configurations
- > Secure Ethernet Connectivity
  - Routing capabilities for reliable communication
  - Stateful firewall, SSL, GRE and VPN services reduce the risk of unwanted access
- > Advanced Event Engine Functionality
  - Easily configure control engine via drop-down menus
  - Trigger I/O, alarms and send SMS messages based on operational data

industrial  
networking



# RAM 6000 LTE Multi-Carrier Specifications

## ORDERING GUIDE

PART NUMBER	PRODUCT LINE	SERIAL RS-232	ETHERNET 10/100	CELLULAR	POWER CONNECTOR	DEFAULT CARRIERS**
RAM-6900-(Carrier Code)	RAM	1	1	4G LTE	Molex end connector cable	AT (AT&T); VZ (Verizon);
RAM-6901-(Carrier Code)	RAM	1	1	4G LTE	DC powered	AM (Generic - Bell Mobility, TELUS and Rogers);
RAM-6901EB-(Carrier Code)	RAM	1	1	4G LTE	PoE (Power Over Ethernet)	EU (Europe and Asia Carrier Support);
RAM-6921-(Carrier Code)	RAM	1	5	4G LTE	DC powered	JP (Japan)

\* See Band/Frequency table for compatability

\*\* Carrier that is pre-configured on device. Carrier can be selected via software.

## FREQUENCY SPECIFICATIONS

North America Models (AT/VZ/AM)

TECHNOLOGY	BANDS	FREQUENCIES	ANTENNA CONFIGURATION
LTE	2, 4, 5, 13, 17, 25	700/850/1900 & 1700(AWS)/2100(AWS) MHz	MIMO Required
Fallback CDMA/EVDO	BC0, BC1, BC10	800/1900 MHz	Diversity Support
Fallback HSPA+	1, 2, 4, 5, 8	850/900/1900/2100 & 1700(AWS)/2100(AWS) MHz	Diversity Support
Fallback GSM/GPRS/EDGE	-	850/900/1800/1900 MHz	-

Rest of World Model (EU)

TECHNOLOGY	BANDS	FREQUENCIES	ANTENNA CONFIGURATION
LTE	1, 3, 7, 8, 20	800/900/1800/2100/2600 MHz	MIMO Required
Fallback HSPA+	1, 2, 5, 8	850/900/1900/2100 MHz	Diversity Support
Fallback GSM/GPRS/EDGE	-	850/900/1800/1900 MHz	-

Japanese Model (JP)

TECHNOLOGY	BANDS	FREQUENCIES	ANTENNA CONFIGURATION
LTE	1, 19, 21	850/1500/1900/2100 MHz	MIMO Required
Fallback HSPA+	1, 5, 6, 19	800/850/2100 MHz	Diversity Support
Fallback GSM/GPRS/EDGE	-	850/900/1800/1900 MHz	-

All specifications are subject to change. Consult the company website for more information.



[www.redlion.net](http://www.redlion.net)

**Connect. Monitor. Control.**

**Americas**  
sales@redlion.net

**Asia-Pacific**  
asia@redlion.net

**Europe**  
**Middle East**  
**Africa**  
europe@redlion.net

**+1 (717) 767-6511**

As the global experts in communication, monitoring and control for industrial automation and networking, Red Lion has been delivering innovative solutions for over forty years. Our automation, Ethernet and cellular M2M technology enables companies worldwide to gain real-time data visibility that drives productivity. Product brands include Red Lion, N-Tron and Sixnet. With headquarters in York, Pennsylvania, the company has offices across the Americas, Asia-Pacific and Europe. Red Lion is part of Spectris plc, the productivity-enhancing instrumentation and controls company. For more information, please visit [www.redlion.net](http://www.redlion.net).

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# RAM 6000 LTE Multi-Carrier Specifications

## WIRELESS INTERFACE

AT&T LTE with fallback to HSPA+  
Generic LTE with fallback to HSPA+  
Verizon LTE with fallback to EVDO  
Verizon DMNR/NEMO compliance

## SELECTABLE IIOT CLOUD PLATFORMS\*\*

deviceWISE  
Fusion Connect  
IPwebcontrol  
IQ Web SCADA  
Skkyenet

## PROGRAMMABLE PLATFORM

Configurable Events: up to 99 events can be triggered by I/O,  
Modbus registers, or over 200 system variable which in turn  
can send text messages or control I/O  
Software Development Kit (SDK)  
C/C++/Perl

## SYSTEM PERFORMANCE

32-bit ARM9 400 MHz CPU  
512 MB NAND  
128 MB RAM

## TUNNELING

IPsec, GRE, OpenVPN

## Routing Protocols

OSPF, BGP, RIP

## Clustering

VRP

## IP

NAT, Port Forwarding, Dynamic DNS, DHCP  
Stateful Inspection Firewall, IP Transparency

## GPS

GNSS supported: GPS L1, GLONASS L1, Galileo E1 high RF  
sensitivity plus jamming detection/removal

## Connectors

Ethernet: One (1) or five (5) 10/100Base-T RJ-45 ports  
WAN capability on port 5  
Serial: One (1) RS-232 (DB9) 115,200bps  
USB: One (1) USB 2.0 (mini)  
Antennas: Three (3) SMA connectors (antenna, diversity, GPS)

## INPUTS & OUTPUTS

Input: One (1) digital/analog  
Output: One (1) digital (open-collector)

## POWER INPUT

Input Voltage: 8-30 VDC (12 or 24 VDC nominal)  
Standby Power: 1.4W - 4.0W (typical)  
Transmitting:  
690x: 2.6W ~ 6.9W  
6921: 4.3W ~ 8.7W  
PoE Operation (EB models only)  
IEEE 802.3af compliant  
Powered Device (PD)  
PoE Input: 37-57 VDC (48 VDC nominal)  
Heat dissipation: 30 BTU/hour max

## MECHANICAL

RAM-6x0x  
Dimensions: 120 x 96 x 32 mm (4.7" x 3.77" x 1.25")  
Weight: 453g (1 lb)  
RAM-6x21  
Dimensions: 120 x 96 x 51 mm (4.7" x 3.77" x 2.0")  
Weight: 500g (1.1 lbs)

## ENVIRONMENTAL

Operating Temperature: -40° to +75°C  
Shock: IEC60068-2-27  
Vibration: IEC60068-2-6  
Humidity: 5 to 95% non-condensing  
Ingress: IP30 protection

## CERTIFICATION

EMI/EMC:  
Emissions: FCC, Part 15 and Industry Canada, ICES-003; Class A;  
EN55022, IEC61000-6-4  
Immunity: IEC61000-6-2 (EN61000-4-2,3,4,5,6,8)  
Hazardous Locations: Class I, Div. 2, Groups A, B, C, D, ISA 12.12.01  
Electrical safety: UL508/CSA22.2/14 (CUL); IEC61010-1  
Carrier Specific Approvals  
RoHS compliant

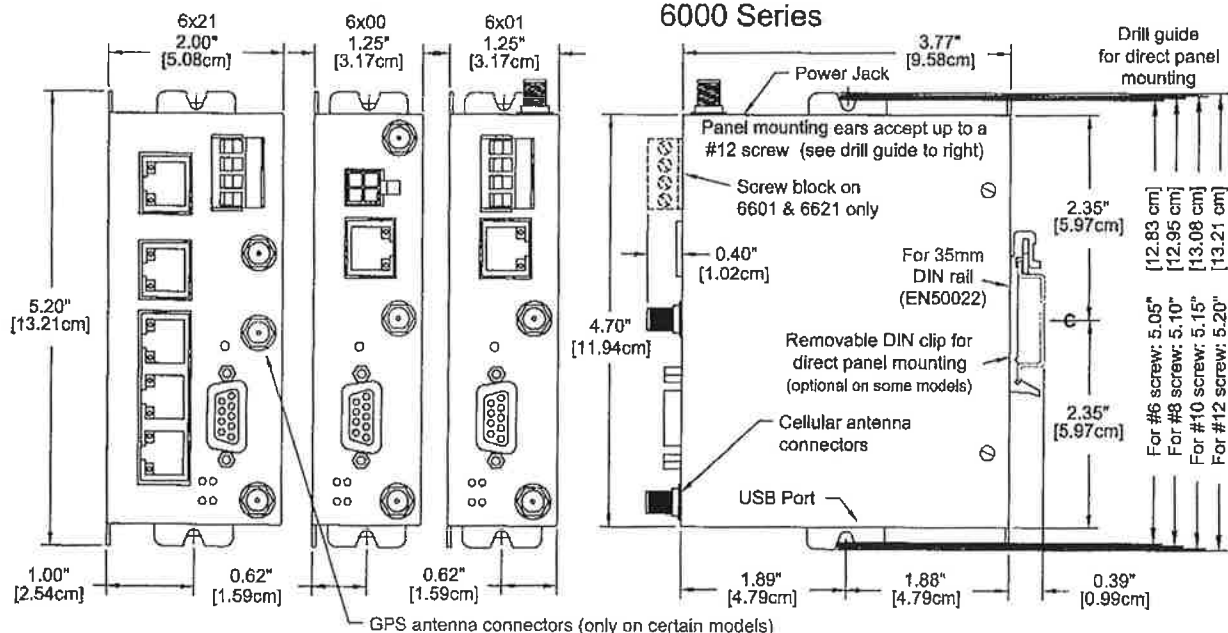
## WARRANTY

3 years on design and manufacturing defects

\* See Hardware Manual for thermal considerations.

\*\* Monthly service fees may be required for cloud platform access,  
not all platforms client are preloaded.

## DIMENSIONS





Smith & Loveless, Inc.  
14040 Santa Fe Trail Drive  
Lenexa, Kansas 66215  
913/888-5201

Page 1 of 2  
**SERVICE AGREEMENT**

**Name and Address:**

Harris Co MUD 368 WWTP  
19744 Logan Briar Road  
Tomball, TX 77375

Quotation Date: 3/12/2019

**Bill To:**

Harris Co Municipal Utility District #368  
1001 McKinney St., Ste 1000  
Houston, TX 77002-6424

Serial # 03-02201

Smith & Loveless, Inc., having an office at 14040 Santa Fe Trail Drive, Lenexa, Kansas 66215 (hereinafter referred to as "Seller"), hereby agrees to sell to the buyer designated below (hereinafter referred to as "Buyer"), the following services subject to all of the provisions set forth in this Service Agreement.

---

**Service Description:** Request service to troubleshoot.

Our quote to provide a service trip to Tomball, TX is listed below.

- a. The price for a paid service trip which includes travel time and labor only for up to 8 hours on site is **\$4,730**. If additional time is needed it will be charged at the rates listed below plus all travel and living expenses.
- b. **This quote does not include parts.** Parts if needed will be billed separately.

Rates: Travel and Work Performed between 7:45a.m. and 4:30 p.m. Monday thru Friday is charged at \$118.75/Hour. Travel and Work Performed outside 7:45a.m. and 4:30 p.m. Monday thru Friday is charged at \$178/Hour. Travel and Work Performed on Saturday is charged at \$178/Hour. Travel and Work Performed on Sunday and Holidays is charged at \$237.50/Hour.

**Payment term: 30 days**

**ADDITIONAL TERMS AND CONDITIONS**

1. **GENERAL A.** Buyer's execution of this Agreement constitutes Buyer's offer to purchase, on the terms and conditions set forth herein, the service described in this agreement, and such offer is irrevocable for thirty (30) days after Buyer executes and delivers to Seller this Agreement together with all necessary engineering data and information. Prices are firm for sixty (60) days after the bid date provided a firm order is received by Smith & Loveless, Inc. within that time period. In the event firm orders are not received by Seller within the times set forth above, then price and delivery estimates may change due to changes in the costs of material and/or labor at the time when the firm orders are received by Seller. Seller reserves the right to amend this Service Agreement if not signed and returned within sixty (60) days from the quotation date. In the event we are unable to perform service within the estimated period for reasons beyond our control, including a request by the Buyer to defer performance, the prices are subject to adjustment to those prevailing at the time of performance, but will not exceed 2% per month.

**B. THIS AGREEMENT IS NOT BINDING ON SELLER UNLESS SIGNED ON SELLER'S BEHALF BY AN OFFICER OR MANAGER OF SELLER.**

**C.** This Agreement constitutes the entire contract between the parties with respect to said service (any prior agreement, representation, covenant or warranty, written or oral, being superseded hereby) and may not be amended or modified except by a written instrument duly executed by both parties, the provisions of any purchase order or other document submitted by or on behalf of Buyer to the contrary notwithstanding.

**D.** All notices hereunder are to be in writing and mailed postage prepaid to the party being notified at the address indicated in this agreement or at such other address as may be designated in writing.

**E.** Remedies provided for herein are cumulative and are in addition to all other remedies as may be available at law or in equity.

**F.** This Agreement is governed by and subject to the laws of the State of Kansas and the Buyer by executing this agreement agrees to submit to the Jurisdiction of the State of Kansas and the venue for any disputes between the parties will be in the District Court of Johnson County, Kansas, or the Federal District Court of Kansas.

**2. SCOPE OF WORK-** Seller agrees to furnish only the services included in Seller's quotation and/or as described and modified in any attachment to this Agreement. If Seller is directed to change the scope of the service after commencement of service, then Seller reserves the right to amend the price of the service.

**3. EXCUSED PERFORMANCE-** Seller is not liable for any failure or delay in performance hereof, with respect to delivery or otherwise, if such failure or delay is due to any cause beyond Seller's control including, but not limited to, any Act of God, war, civil disturbance, riot, labor difficulty, factory capacity, fire, other casualty, accident or supplier's failure or inability to perform.

**4. CREDIT APPROVAL-** The credit terms specified herein are subject to Seller's continuing approval of Buyer's credit and if, in Seller's sole judgment, Buyer's credit or financial standing is impaired as to cause Seller to deem itself insecure, Seller may withdraw the extension of credit and require other payment terms.

**5. PAYMENT-** Subject only to any credit terms, which Seller may extend, the total purchase price hereunder is due at such time, within or after the estimated performance period specified herein. Buyer shall pay in full all invoices within the time for payment specified therein and Buyer's payment obligation is in no way dependent or contingent upon Buyer's receipt of payment from any other party. Any balance owed by Buyer for thirty (30) days or more after the same becomes due is subject to a 2% per month delinquency charge until paid. In addition to all other amounts due hereunder, Buyer shall reimburse Seller in full for all damages, costs and expenses, including reasonable attorneys' fees, which Seller may incur with respect to Buyer's breach of this Service Agreement or the collection of past due amounts from Buyer. If Buyer is in default under this or any other agreement with Seller, Seller may, at its option, defer performance hereunder until such default is cured.

**6. SEVERABILITY** – If any provision or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**7. PERMITS, LICENSES-** Buyer at its sole cost and expense shall obtain all building or other permits or licenses with respect to the performance required by any federal, state or local governmental body.

**8. INSURANCE-** Seller maintains the following insurance in the amounts indicated:

A. Workmen Compensation, in the amount required by law;

B. Employer's Liability with a limit of \$100,000 for injuries or death to any one person;

C. Occupational Disease, in the amount required by law;

D. Public Liability Insurance (Personal Injury and Property Damage) with limits of \$100,000 for injuries or death to any one person and \$300,000 for any one occurrence, and \$100,000 for injury to or destruction of property arising out of any one occurrence; and

E. Automobile Liability Insurance (Personal Injury and Property Damage) with limits of \$100,000 for injuries or death to any one person and \$300,000 for any one occurrence, and \$100,000 for injury to or destruction of property arising out of any one occurrence.

**9. LABOR-** Seller is not liable for any failure or delay in performance hereof if such failure or delay is due to any cause beyond Seller's control.

**10. SHUTDOWN-** Should Buyer be responsible for any cessation of normal work procedure by Seller's service personnel, it is understood that Buyer shall accept extra billing for the cost of the shutdown.

---

Agreed to this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
Buyer

By \_\_\_\_\_

Print Name

By \_\_\_\_\_

Authorized Signature

\_\_\_\_\_  
Address

Is this purchase tax exempt? Yes \_\_\_\_\_ No \_\_\_\_\_

Agreed to this \_\_\_\_\_ day of \_\_\_\_\_,  
at Lenexa, KS.

**SMITH & LOVELESS, INC**

By \_\_\_\_\_

Authorized Signature

---



# SALES AGREEMENT

**Smith & Loveless, Inc.**  
14040 Santa Fe Trail Drive  
Lenexa, Kansas 66215-1284, USA  
Phone: (913) 888-5201  
Fax: (913) 748-0106

**DATE:** 3/13/19  
**PROJECT:** Harris Co., TX  
**INQ #:** IR-28581  
**EXISTING S&L SN:** 03-02201

**CUSTOMER CONTACT:**  
**CUSTOMER PHONE:**  
**CUSTOMER E-MAIL:**

**YOUR LOCAL SMITH & LOVELESS REPRESENTATIVE CONTACT INFORMATION:**

**SALES PERSON & CONTACT PH:** Michael Kowalick- 281-980-7448  
**REPRESENTATIVE COMPANY:** Newman Regency Group  
**REPRESENTATIVE FAX:** 281-980-7447

**SCOPE OF EQUIPMENT:** **One (1) complete PISTA® GRIT CHAMBER™ mechanical drive assembly.**

- Includes TEFC motor, gear reducer, pinion, and bull gear.
- Includes mounting hardware.

**One (1) drive tube cover plate constructed of 316 stainless steel.**

**PRICE (includes freight):** **\$25,787**

**SCOPE OF EQUIPMENT:** **One (1) SMITH & LOVELESS® Model 4B2H vacuum primed top mounted PISTA® TURBO GRIT PUMP™.**

- Motor to be 7.5 HP, 1800 RPM, 3/60/460 volt TEFC
- Ni-hard impeller trimmed to 7" for 250 gpm @ 30' TDH
- Each top mounted vacuum primed complete pump to include: motor, motor adapter, bronze seal housing assembly with mechanical seal, Ni-Hard impeller, Ni-hard volute, and SONIC START® STREAMLINE™ probe and 2-way solenoid valve/dome assembly, time delay relay and SONIC START® operating module
- Includes touch-up paint kit and hardware.

**PRICE (includes freight):** **\$13,465**

-MORE-

Page: 2 of 2  
Inq: IR-28581  
SN: 03-02201  
Location: Harris Co., TX

**SHIPMENT:** Manufacturing completion is Estimated at **10 - 12 weeks** from approved submittals.  
**FUEL SURCHARGE:** Any fuel surcharge assessed to Smith & Loveless, Inc. Shall be passed on at cost to customer. This fuel surcharge was not included in our quote and will be in addition to the contract amount.  
**INSTALLATION:** Smith & Loveless is supplying the aforementioned items. Owner is responsible for installation, including all inspections and/or code compliance of the installation.  
**FREIGHT:** **F.O.B. Origin.**  
**PAYMENT:** All purchase orders must be made out to Smith & Loveless, Inc.  
Payment is 100% prior to shipment via check or, with continuing credit approval, 100% the earlier of net 30 days from date of shipment or at time of start up (if S&L start up is included in our quote).  
**TERMS:** Smith & Loveless' quotation and standard terms and conditions applies to this order and no terms set forth in buyers purchase order, acknowledgment letter or verbal communication shall control unless approved in writing by the S&L Contract Department. In the event of any inconsistency between S&L's terms and conditions and buyers purchase order, S&L's terms and conditions shall govern.  
**TIME FRAME:** Quote is good for 90 days.  
**EQUIPMENT:** If the equipment Smith & Loveless is providing is associated with the retrofit or modification of existing equipment, field adjustments to the existing and/or new equipment may be required for correct installation. Such adjustments may include, but are not limited to, piping modifications, grouting, shimming, control panel or electrical changes, etc. Smith & Loveless is relying on information provided by the customer, the installing contractor, or others with regard to the measurement, model or part numbers, drawings, and descriptions of existing equipment in the design and manufacturing of the new equipment for this project. As a result, Smith & Loveless shall not be responsible for any problems or difficulties encountered when fitting up new equipment with existing equipment.

Agreed to this \_\_\_\_ day of \_\_\_\_\_, 201\_. Lenexa, KS.

Agreed to this \_\_\_\_ day of \_\_\_\_\_, 201\_ at

**BUYER**

**SMITH & LOVELESS, INC.**

By: \_\_\_\_\_  
PRINT NAME  
\_\_\_\_\_  
AUTHORIZED SIGNATURE  
\_\_\_\_\_  
ADDRESS  
\_\_\_\_\_  
CITY, STATE, ZIP  
\_\_\_\_\_  
PHONE

By: \_\_\_\_\_  
AUTHORIZED SIGNATURE

Is this purchase tax exempt? \_\_\_\_ Yes \_\_\_\_ No

If YES, attach Sales Tax Exemption Certificate. Failure to provide tax exempt certificate prior to shipment will result in Buyer being responsible for all applicable taxes.



March 27, 2019

Kameron Pugh, P.E.  
Project Engineer  
IDS Engineering Group  
13430 Northwest Freeway, Suite 700  
Houston, TX 77040  
832-590-7187  
KPugh@idseg.com

URETEK USA, Inc. is pleased to present this proposal to IDS Engineering Group for soil stabilization and pavement lifting.

**PROBLEM:**

There is ponding located at 12047 Rockridge Falls Dr, Tomball, TX 77375.

This problem can be addressed by utilizing the URETEK Deep Injection (UDI) process to stabilize the soils in each location with continued injection into the soils to accomplish any lifting required.

**ESTIMATED SCOPE OF WORK:**

There is a 48' x 12' section of pavement needing soil stabilization and 2" of lift at 12407 Rockridge Fall Dr.

**PROPOSED SOLUTION:**

URETEK USA will use the patented URETEK Deep Injection (UDI) process and our URETEK 486 STAR polymer to stabilize the soils under the roadway. Injections will continue after stabilization if lift is required.

URETEK USA will perform the following operations:

1. Profile all areas of the roadway.
2. Drill injection holes on 4' centers and install injection tubes at one level between -2' and -4'.
3. Inject the highly expansive, high strength, lightweight, water-resistant URETEK 486 STAR polymer through the tubes and into the soils beneath the base to fill the voids & stabilize the soils. Injection will continue until 1mm of movement is detected at the surface of the roadway confirming adequate soil stabilization. Since this polymer is water-resistant, it can be injected into wet soil conditions without compromising the integrity of the polymer.
4. Drill out the top 2" of grout injection holes and fill with a non-shrink cementitious grout.
5. Perform final profile of all areas of the roadway for warranty purposes.

**PROPOSED COST:**

\$6.50 per pound

**Location:** 12047 Rockridge Falls Dr  
30.055015, -95.600949  
48' x 12' – 2" of lift required

Estimate: 600 pounds @ \$6.50/pound = \$3,900

Mobilization = \$0

**Total Estimate = \$3,900**

**Client will only be invoiced for actual material used.**

**ITEMS NOT INCLUDED IN QUOTE:**

Traffic control – joint/crack sealing – bonding/bond participation – prevailing wage rates – sales tax – milling of existing asphalt wedges (if required)

**SCHEDULE:**

Schedule will be discussed between URETEK USA and client after all paperwork has been approved by both sides. Operations can accommodate day or night/weekday and/or weekend work depending on the client's schedule. Traffic can be returned to the project area 15 minutes after our last injection.

**WARRANTY:**

URETEK USA will provide a two-year unconditional warranty against settlement of more than 1/4" of the injected areas. URETEK USA will return to inject the affected area to lift to proper grade at no charge to the owner.

**SAFETY:**

URETEK USA has an impressive safety record, because our people are our most important asset and safety is our top concern. URETEK USA has an extensive safety manual directly pertaining to our polyurethane injection process. URETEK USA has employed an industrial hygienist company to produce a safety report on our production unit, process, and personnel. The report clearly shows on-site safety procedures in using and handling the process chemicals and equipment and is available upon request.

**INSURANCE:**

URETEK USA has insurance in excess of any requirements client may have.

**MERIT SHOP CONTRACTOR:**

URETEK USA is a merit shop contractor and all services provided by this proposal will be on a merit shop basis. All reference to labor agreement of any kind, or alluded to, in a principle contract or a sub-contract, are set aside, and not part of this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Chad Hardin". The signature is cursive and somewhat stylized, with the first name "Chad" and last name "Hardin" clearly distinguishable.

**Chad Hardin**

South East Texas US Project Manager

**URETEK USA, Inc.**

(832) 349- 2274

[chardin@uretekusa.com](mailto:chardin@uretekusa.com)

[www.uretekusa.com](http://www.uretekusa.com)



# **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368**

c/o Johnson Petrov LLP  
2929 Allen Parkway, Suite 3150  
Houston, Texas 77019

February 7, 2019

Robert W. Wilson,  
President  
Little Woodrow's, LLC  
3711 Briar Park, Suite 300  
Houston, Texas 77042

Re: Agreement to Annex the Little Woodrow's tract (the "Property")

Gentlemen:

This letter will confirm our agreement (the "Agreement") with respect to Timber Tech Holdings, LLC (the "Developer") annexation of the Property into Harris County Municipal Utility District No. 368 (the "District").

1. The District has received your \$7,500 fee for feasibility analysis along with your request for annexation of the Property, which was referred to the District's Engineer for feasibility analysis. Based upon information you have furnished with respect to your development, the Engineer has determined that the project use, a commercial development utilizing sixteen (16) equivalent single family connections ("ESFCs"), is feasible. You acknowledge that a copy of the financial analysis has been furnished to you.

2. Enclosed with this Agreement is the Amended Order Adopting Consolidated Rate Order and Rules and Regulations; Establishing Policy Regulating Water Use During Emergencies; Establishing a Wastewater Control Order; Establishing Certain Other Policies; and Providing Penalties for Violation Thereof (the "Rate Order"), the Amended and Restated Policy, Procedures and Application for Water and Sewer Service, Annexation and/or Developer Reimbursement (the "Annexation Policy"), and the Conditions of Service for Multifamily Residential Developments ("Conditions of Service"). The Developer acknowledges the existence of these documents and agrees that it is subject to, and will follow, the terms of each.

3. Since it has been determined that the annexation of your development is feasible, you agree to provide the District with the documents described in the Letter of Intent, enclosed herewith.

4. If the Petition for Addition of Certain Lands into the District (the "Petition") is filed with the District, the District will:

- a. submit the Petition for Consent to Annex the Property for approval by the City of Houston; and
- b. issue a utility commitment for sixteen (16) ESFCs to serve your commercial development. Any other use or any additional connections must be approved by the Board. The utility commitment will be substantially in the form attached hereto as Exhibit "A," and will be subject to all rules and regulations of the District at the time of issuance.

5. As of each January 1 while this Agreement is in effect and the Property is not annexed by or on the tax roll of the District, the Owner agrees to make a payment to the District in lieu of taxes at the time taxes are levied by the District for that year and in an amount equal to the ad valorem taxes which would be due to the District for the Property at the District's tax rate applied to the assessed valuation without exemptions as established by Harris Central Appraisal District if the Property would have been in the District and subject to taxation. The Owner shall include notice of this provision in each contract for sale of land out of the Property. If payment is not made as required, any utility commitment issued by the District pursuant to this Agreement shall be void and of no force or effect until such payment is made. Notwithstanding the above, if the District is providing service of any kind, payments in lieu of taxes shall continue until service is terminated or the annexation is complete.

6. The District may, at its sole discretion, record a memorandum of this Agreement and copies of the Petition in the Real Property Records of Harris County, Texas.

7. The Developer agrees to pay all costs associated with annexation of the Property, including any reasonable additional expenses of the District or its consultants relating to the annexation of the Property.

Should the above accurately and adequately reflect your understanding of the District's terms and conditions in honoring your request for annexation, please evidence same by executing this letter in the space provided and returning to the undersigned at your earliest possible convenience.

Very truly yours,

HARRIS COUNTY MUNICIPAL UTILITY  
DISTRICT NO. 368

By: \_\_\_\_\_  
Roy P. Lackey, President

Enclosure: Rate Order  
Annexation Policy  
Conditions of Service

I, Robert W. Wilson, President of Timber Tech Holdings, LLC, acknowledge that I have read the foregoing and that in my capacity as said President of Timber Tech Holdings LLC, I have the requisite authority to execute this Letter Agreement and bind Timber Tech Holdings, LLC to the terms and conditions therein.

Accepted as of the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**Timber Tech Holdings, LLC**  
**a Texas, limited liability company**

By: \_\_\_\_\_  
Robert W. Wilson, President

THE STATE OF TEXAS     §  
                                      §  
COUNTY OF TEXAS       §

This instrument was acknowledged before me on \_\_\_\_\_, 2019, by Robert W. Wilson, President of Timber Tech Holdings, LLC on behalf of the said entity.

\_\_\_\_\_  
Notary Public, State of Texas

(SEAL)

**EXHIBIT "A"**

**FORM OF UTILITY COMMITMENT LETTER**

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368**

c/o JOHNSON PETROV LLP  
2929 Allen Parkway, Suite 3150  
Houston, Texas 77019

\_\_\_\_\_, 2019

Robert W. Wilson,  
President  
Little Woodrow's, LLC  
3711 Briar Park, Suite 300  
Houston, Texas 77042

RE: Harris County Municipal Utility District NO. 368 the "District") –  
Application for Service

Gentlemen:

This will confirm that the Board of Directors of the District met on \_\_\_\_\_, and considered your request for water and wastewater capacity to serve the 3.1791-acre tract described (the "Property"), for the purpose of providing service to a proposed commercial development.

The Board of Directors has reserved sixteen (16) equivalent single family connections for service to the Property. However, this confirmation of commitment is subject to the following provisions:

1. This commitment is nontransferable to any person, entity or property without the express written consent of the District. The District shall not unreasonably withhold such consent so long as the provisions in the Utility Commitment Policy and the District's Rate Order are followed. The District shall not unreasonably withhold such consent so long as the transfer is to a subsequent purchaser of the Property proposing to utilize the same utility capacity and land use as approved herein.
2. The capacity to be allocated to you is subject to any restrictions on capacity or service imposed by the State of Texas or any other authority with jurisdiction, including permit limits, on the same basis as other property in the District.

3. If in the District's opinion, the parameters of this Utility Commitment Letter are exceeded, you hereby voluntarily agree to allow the District to limit future taps and connections to the Property or limit use of water and sewer capacity to the amount of this commitment.
4. All provisions of the District's Rate Order now or hereafter in force or any other order or resolution of the District regulating water and/or sewer service shall govern service to the Property.
5. The District shall have the right to enter the Property at any reasonable time to inspect or test the Property, any connections or any other water or sewer facilities serving the Property.
6. This commitment is based upon and applies only to the facilities, plans and information given to the District at its meeting of \_\_\_\_\_, 2019. Any change in use or configuration not approved by the District shall render this commitment void without further notice.
7. In the event any utility facilities are to be dedicated to the District for maintenance, such utilities must be designed and constructed in accordance with all city, county and state requirements and must be approved by the District's Engineer. All such utility facilities shall be located in easements dedicated to the District and shall have a one (1) year warranty against any defect.

At such time as you wish to utilize the capacity allocated to you, you should contact the District's Operator and/or Engineer to ensure full compliance with all District rules, regulations and tap fees.

If this foregoing is in agreement with your understanding of the conditions of the Board's commitment to you, please indicate your agreement by signing the duplicate original of this letter in the space provided below and return same to me at which time this commitment will become effective.

Should you have any questions, please do not hesitate to let me know.

Sincerely,  
HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 368

By:   
Roy P. Lackey, President  
Board of Directors

I certify that I have read and understand the above and agree to and accept the terms of this Utility Commitment this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**Timber Tech Holdings, LLC.**  
**a Texas, limited liability company**

By: \_\_\_\_\_  
Robert W. Wilson, President

**THE SALE, PLEDGE OR TRANSFER OF CERTAIN RIGHTS GRANTED IN THIS AGREEMENT WITHOUT STRICT COMPLIANCE WITH ARTICLE IV HEREOF SHALL BE INEFFECTIVE**

**WATER, SEWER AND DRAINAGE  
IMPROVEMENT FINANCING AND CONSTRUCTION AGREEMENT  
BY AND BETWEEN  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368  
AND  
TIMBER TECH HOLDINGS, LLC  
(LITTLE WOODROW'S)**

**STATE OF TEXAS           §  
                                     §  
COUNTY OF HARRIS    §**

This Water, Sewer and Drainage Improvement Financing and Construction Agreement (hereinafter called the "Agreement") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2019, by and between **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368**, a conservation and reclamation district, a body politic and corporate and political subdivision of the State of Texas, created pursuant to Article XVI, Section 59 of the Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code, as amended, and Timber Tech Holdings, LLC, a Texas limited liability company (whether individually or collectively, hereinafter the "Developer").

**WITNESSETH:**

**RECITALS**

**WHEREAS**, the District is authorized under the Texas Water Code, to purchase and construct, or otherwise acquire fresh water supply systems, sanitary sewer systems, storm sewer systems and drainage facilities or parts of such systems or facilities, and to make any and all necessary purchases, construction, improvements, extensions, additions and repairs thereto, and to purchase or acquire all necessary equipment, buildings, plants, structures and facilities therefor, and to operate and maintain same, and to sell water, sewage treatment and other services, and to issue its bonds to finance any of the above listed activities;

**WHEREAS**, the Developer owns approximately 3.1791 acres of land inside the boundaries of the District, more particularly described in Exhibit "A" attached hereto;

**WHEREAS**, the District proposes to either (i) issue bonds in the future to finance the construction or acquisition of fresh water, sanitary sewer and/or drainage facilities (the "Facilities") to serve said 3.1791 acres (the "Development"); or (ii) finance same from cash available to the District for such purposes.

**WHEREAS**, the District proposes to provide fresh water, sanitary sewer and drainage services and Facilities to users within the District and recognizes that the 3.1791 acres on which the Developer plans to develop, is located within the District and as such is entitled to receive the



benefit of the District's services and Facilities; and

**WHEREAS**, the Developer desires to proceed with the development of commercial improvements on the Property, and the Developer requires fresh water, sanitary sewer, and drainage services and Facilities to serve the Property and the District and Developer agrees such Facilities are needed, but not currently present.

**NOW, THEREFORE**, the parties hereto have determined that under the circumstances and for their mutual benefit, they desire to enter into this Agreement whereby the Developer will advance funds for and advertise for bids and enter into contracts with the approval of the District for the construction of the hereinafter described Facilities, and the District will make its best efforts to issue bonds (the "Bonds") for the purpose of purchasing the Facilities from the Developer and/or assuming contracts for the construction of the Facilities.

### **AGREEMENT**

For and in consideration of the mutual promises, covenants, obligations and benefits in this Agreement, the District and the Developer contract and agree as follows:

### **ARTICLE I**

### **REPRESENTATIONS AND DEFINITIONS**

#### **Section 1.01 Representations.**

(a) The District represents that it has full legal authority to enter into this Agreement and to issue the Bonds subject to approval of the Commission and the Attorney General of Texas, and that upon such approval, it will proceed with the issuance of the Bonds in accordance with this Agreement and the Constitution and laws of the State of Texas.

(b) The Developer represents, covenants and agrees that the Developer has the funds available or has the ability to secure the funds necessary to enable the Developer to perform its obligations under the terms of this Agreement in a timely and expeditious manner.

(c) Developer represents, covenants and agrees that Developer: (i) has good and indefeasible title to the Property, which will also include the Facilities; (ii) has dedicated or will dedicate all easements containing the Facilities to the District at no cost or other amount authorized by the Commission; (iii) has conveyed or will convey in fee simple all real property which constitutes a Site or Sites; (iv) has or will comply with all applicable rules and regulations of the Commission with respect to reimbursement of a developer; and (v) has full legal authority to perform its obligations under the terms of this Agreement in a timely and expeditious manner, subject to any applicable municipal, State and federal rules and regulations and subject to the District timely and fully performing its obligations under this Agreement.

(d) For and in consideration of the Developer's agreement to provide for the benefit of the District the funds necessary to pay the Construction Costs of the Facilities, as hereinafter provided, and the District's agreement to pay to the Developer, as hereinafter provided, the Reimbursable Share of the Construction Costs, the Developer agrees to sell and assign, and the

District agrees to purchase all of the Developer's right, title and interest in and to such final plans, specifications and contract documents and the Facilities to be constructed pursuant thereto.

(e) The Developer and the District agree and represent that all contracts for the construction of the Facilities shall be let in the name of the Developer as an independent contractor, not as an agent of the District, and that the District shall only become a party to such construction contracts if and when they are assigned to and assumed by the District as provided herein.

(f) The Developer represents that after the date Developer executes Exhibit "B", it will not claim any agricultural or open space use valuation, or any other type of exemption or valuation available under the Texas Property Tax Code, for the Property that would reduce the assessed value of the Property below its market value for purposes of ad valorem taxation by the District, except as allowed in Exhibit "B." If any such use, exemption or valuation is claimed on the Property after the date Developer executes Exhibit "B", except as allowed in Exhibit "B", this Agreement shall automatically terminate. The Developer agrees upon execution of this Agreement, to execute a recordable instrument in a form substantially similar to that attached in Exhibit "B", waiving its right to claim such exemption for the Property, except as set forth therein.

#### Section 1.02 Definitions.

Unless the context requires otherwise, the following terms and phrases used in this Agreement shall have meanings as follows:

(a) The term "Bonds" shall mean the issue or issues of unlimited tax bonds, combination unlimited tax and revenue bonds, or other obligations of the District which are hereafter issued and sold by the District pursuant to the provisions of this Agreement and the provisions of Chapters 49 and 54, Texas Water Code, as amended, for the purposes provided in this Agreement, and any refunding bonds issued in lieu thereof.

(b) The term "City" shall mean the City of Houston, Harris County, Texas.

(c) The term "Commission" shall mean the Texas Commission on Environmental Quality or any governmental agency successor to the Texas Commission on Environmental Quality.

(d) The term "Construction Costs" shall mean and include all actual costs, including the cost of labor, equipment, material and supplies and all engineering, design and inspection costs incurred by the District's Engineer and Developer's Engineer in the design, advertisement, installation, construction and inspection of the Facilities.

(e) The term "Contractor" shall mean an individual, partnership or corporation that is a party to a construction contract with the Developer relating to the construction of the Facilities and includes one who furnishes material worked to a special design according to the plans and specifications for construction of the Facilities.

(f) The term "Developer's Engineer" shall mean the District's Engineer or such other engineer or engineering firm as maybe selected and so designated by the Developer, with the

approval of the District, as its engineer from time to time.

(g) The term "District's Engineer" shall mean IDS Engineering Group or such other engineer or engineering firm as may be selected and so designated by the District as its engineer from time to time.

(h) The term "District's Financial Advisor" shall mean Rathmann & Associates, LP. or such other financial advisor or financial advising firm as may be selected and so designated by the District as its financial advisor from time to time.

(i) The term "Facilities" shall mean all the fresh water, sanitary sewer and drainage facilities required to be constructed to serve the Property.

(j) The term "Property" shall refer to the real property described on Exhibit "A" of the Developer's proposed commercial development, which is to be located within the District's boundaries.

(k) The term "Reimbursable Share" shall mean the amount of reimbursement of Construction Costs in accordance with the Rules of the Commission and allowed and approved by the Commission together with interest thereon, calculated from the date of payment by the Developer through the date of acquisition of the Facilities and Sites by the District and/or assumption of any outstanding contracts by the District as hereinafter provided, such interest to be calculated at a rate equal to the net effective interest rate at which the Bonds are sold; provided, however, that land or easements for the Facilities may be acquired by the District at the Developer's cost plus carrying charges, all subject to the rules and approvals set out above. The percentage of reimbursement shall be calculated on a hypothetical bond issue that includes a per equivalent single family connection pro-rata share of the actual costs incurred by the District for related water plant and wastewater treatment plant capacities, which will determine the amount of the Reimbursable Share. The Reimbursable Share shall not exceed 100 percent (100%) of the total cost of the Facilities plus interest. The Board of Directors of the District shall, in its sole discretion, determine when bonds shall be sold within the guidelines set forth above. It is estimated by the District's Engineer that the maximum amount of the Reimbursable Share will total approximately \$36,000 for water sewer, and drainage facilities. The Reimbursable Share shall not exceed the amount which is Self Supporting. To be Self Supporting, the Reimbursable Share must be supported by the taxable assessed value of the improvement within the development at the District's debt service rate at the time of reimbursement. District Facilities, as defined in the Commission rules, if any, shall be reimbursed at 100 percent (100%), and other Facilities constructed by the Developer shall be reimbursed at the level which is Self-Supporting, as defined herein, at the time of reimbursement.

(l) The term "Reimbursement Date" shall mean the actual date on which payment of the Reimbursable Share is tendered by the District to the Developer, as provided for herein.

(m) The term "Self-Supporting" means that the estimated taxable value of the Developer's development subject to reimbursement shall be sufficient at the time of reimbursement to amortize the debt service payments on a bond issue in an amount equal to the amount of the Reimbursable Share and payable to the Developer, including the Developer's

developments' pro rata share of all associated costs, fees and expenses of issuing the bonds, including but not limited to professional fees, capitalized interest and contingencies, in a bond structure as applied for by the District to the Commission, at an interest rate estimated by the District's Financial Advisor and reduced by an amount equal to the District's costs for related water plant and wastewater treatment plant capacities as applied by the Districts' financial advisor pursuant to the District's policies. The District shall determine, in its sole discretion, when the Developer's development is Self-Supporting.

(n) The term "Site" or "Sites," if applicable, shall mean the real property on which any water plant, sewer plant, lift station or storm water detention facilities will be constructed and which real property will be conveyed to the District by Developer only by special warranty deed, in a form acceptable to District, pursuant to this Agreement.

## **ARTICLE II**

### **CONSTRUCTION OF FACILITIES**

Section 2.01 Plans and Specification - Underground Facilities. The Developer's Engineer will prepare or supervise the preparation of plans and specifications for construction of the underground water, sewer and drainage Facilities to serve the Property, excluding any plans and specifications necessary for the construction and expansion of any improvements to the District's existing wastewater treatment plant and water plant, or for the construction of additional wastewater treatment plants or water plants, which shall be the sole responsibility of the District's Engineer. The Developer's Engineer will submit the plans and specifications, as well as any subsequent changes in plans or specifications, to the District for approval. The District's Engineer shall have final approval of the plans and specifications, including those prepared by the Developer's Engineer, which approval shall not be unreasonably withheld. The Developer shall pay to the District Engineer a fee of \$1,500 to review the plans and specifications. The Developer's Engineer will submit the plans and specifications to the City, the Commission, Harris County, the Texas Department of Health and all other agencies having jurisdiction for review and approval. Neither the District's Engineer nor the Developer's Engineer will make any changes in the construction plans and specifications relating to the Facilities, as approved by the Developer and the engineers, except as may reasonably be necessary in order to obtain and/or retain the approval of any reviewing authority of the said plans and specifications. In the event changes to the plans and specifications are made to obtain and/or retain the approval of reviewing authorities, the Developer agrees to construct the Facilities, pursuant to Section 2.04 and 2.05 below, in accordance with such changes as are approved by the Developer, the District and the Commission.

Section 2.02 Plans and Specifications - Wastewater Treatment Plant/Water Plant. The District's Engineer will prepare or supervise the preparation of plans and specifications for the construction of the expansion of the District's existing wastewater treatment plant and water plant, or additional treatment and water plants, as such may be required. The District's Engineer will submit the plans and specifications of the City, the Commission, Harris County, the Texas Department of Health and all other agencies having jurisdiction for review and approval.

### Section 2.03 Construction.

(a) The Developer agrees to advertise for bids and award the contracts necessary for construction of the Facilities pursuant to all applicable laws of the State of Texas governing public contracts, and the Rules of the Commission. The Developer shall, with approval of the District, advertise for bids and award contracts for the construction of the Facilities and shall take such other action as is necessary to cause construction of the Facilities to be commenced in compliance with the plans and specifications as approved by all applicable governmental bodies and in accordance with the Rules of the Commission.

(b) The Facilities will be constructed upon Sites and within easements agreed to by the District or in dedicated streets or utility easements.

(c) After commencement of construction the Developer will take such reasonable action as is necessary to cause the construction of the Facilities to be diligently prosecuted to completion in a reasonable time.

(d) If for any reason the Developer decides at its sole discretion and determination that is not economically feasible to go forward and does not go forward with its plans for the development of the Property, the Developer may, in its sole discretion, delay commencing construction of the Facilities agreed to herein until such time as it is economically feasible to go forward with the development of the Property.

### Section 2.04 Construction Contracts.

(a) The Developer shall submit all contract documents to the District for its approval, which shall not be unreasonably conditioned, delayed, withheld or denied prior to the awarding of any such contract. All construction contracts the Developer enters into for the construction and acquisition of the Facilities shall be for the benefit of the District as a third party beneficiary and shall be subject to, among others, the following special conditions which shall be in writing: (1) The "Engineer" referred to in any construction contract shall be the District's Engineer or Developer's Engineer, as appropriate, in accordance with the terms of this Agreement; and (2) the "Owner" referred to in any construction contract shall be the Developer for purposes of administration of the construction contract and for all other purposes including the purposes of liability for and payment of all payments that become due and payable under a construction contract.

(b) The Developer shall award and administer all construction contracts, and the Facilities shall be installed in full compliance with all applicable laws of the State of Texas and the rules of the Texas Department of Health, the Commission, Harris County and any and all other appropriate governmental agencies and bodies.

(c) If for any reason the Developer fails to make any valid and correct payments that become due and payable under a construction contract, the District shall have the option, but not the obligation, to make such payments on behalf of the Developer and shall be entitled to recover from the Developer any such payments so made.

### Section 2.05 District Supervision of Construction. Following award of construction

contracts, the Developer's Engineer, shall issue the necessary work orders and cause construction to be initiated and performed in accordance with final plans, specifications and contract documents, as approved by the parties hereto. No material change, alteration, or deviation from such final plans and specifications shall be made or permitted by the Developer unless same is first approved by both parties hereto. Subject to reasonable safety precautions, the District shall have reasonable access at all times to construction in progress and may make such inspections thereof as may be deemed reasonably necessary or desirable and may call to the attention of the Developer, his construction inspectors, the Developer's Engineer, the District's Engineer or the Contractor(s), any material deviations from the final plans and specifications. The Developer shall in good faith attempt to correct or cause to be corrected any such construction deficiencies noted by the District. The District shall also have full access to all construction contracts, other contracts, books, records, accounts and physical properties directly related to the construction of the Facilities, but the Developer shall have the right to exclude from such books, records and accounts any of its trade secrets, formulae, or processes and any items not directly related to the construction of the Facilities.

Section 2.06 Payments to Contractor. Upon receipt of a periodic payment request from a Contractor engaged in the construction of all or any portion of the Facilities, the District's Engineer or Developer's Engineer, as appropriate, shall determine the amount properly payable and promptly invoice the Developer. The Developer shall provide copies of all invoices and certifications recommending payment to the District for its review. The Developer shall timely pay to the Contractor the sum necessary to satisfy the Contractor's payment request (or the portion thereof recommended and approved for payment by the District's Engineer). The Developer will maintain and provide the District with a complete accounting of the Construction Costs incurred by the Developer to assist the District in determining the Reimbursable Share.

Section 2.07 Ownership of Facilities. Subject to the provisions of Section 2.04, above, any contracts entered into by the Developer with Contractor(s) are for the benefit of the District. It is the intent of the parties that ownership of and title to all portions of the Facilities as constructed shall ultimately be in the District, upon payment in full by District to Developer of the Reimbursable Share and any other amounts due Developer by the District under this Agreement or otherwise, subject to the reimbursement audit prepared by the District's auditor, and that ownership and title to all materials delivered to and stored in the District and which are intended to become incorporated into the Facilities or consumed in construction of the Facilities shall ultimately be in the District.

Section 2.08 Sales Tax Exemption. The parties agree, acknowledge and understand that the District qualifies for exemption for Texas State and local sales taxes pursuant to the provisions of Section 151.309(5) of the Texas Tax Code, as amended, and that the Developer shall, in purchasing all materials to be incorporated into the Facilities and in purchasing, renting, or leasing all materials, supplies and equipment to be used or consumed in the construction of the Facilities, cause to be issued to its suppliers or the suppliers of the Contractor(s), with the cooperation of the District where necessary, an exemption certificate in lieu of said tax, with any such exemption certificate to comply with and be subject to any and all applicable Rules and Rulings of the State Comptroller of Public Accounts.

Section 2.09 Notice of Completion of Facilities. The Developer shall cause the construction of the Facilities to be inspected by the District's Engineer, or, if necessary the Developer's Engineer, as agreed to by the parties, and shall notify the District of the time and place of the final inspection of the construction of the Facilities and afford the District and the District's Engineer a reasonable opportunity to review and inspect same and call attention to any defect, discrepancy, incompleteness or deviation from the final plans and specifications. Upon the completion and final inspection of, and issuance of certificates of completion by the District's Engineer or the Developer's Engineer, as appropriate, for all construction contracts relating to the Facilities which have not been assumed by the District, the Developer shall make any final payment due the Contractor(s). However, final payment shall not be made by the Developer until approved by the District, such approval not to be unreasonably withheld.

Section 2.10 Responsibility for Facilities. After the District receives notice of completion of the Facilities, and to the extent it is financially able, the District shall be responsible for the operation and maintenance of the Facilities for providing fresh water, sanitary sewer and drainage services to the Property and shall be entitled to collect fees and charges for services provided by such Facilities in accordance with the rules, regulations, policies and operating procedures established by the District from time to time for similar classes of services within the District.

### **ARTICLE III**

#### **REIMBURSEMENT OF COSTS OF CONSTRUCTION**

Section 3.01 General Statement. The purpose of this Article is to provide for the payment by the District to the Developer of the costs of engineering and construction of the Facilities and acquisition of the Sites, subject to the provisions of Section 1.02 (l), above.

Section 3.02 Submission of Bond Application. Upon determination by the District, after consultation with the District's Financial Advisor and the District's Engineer to determine the feasibility of a District bond issue, the District shall instruct the District's Engineer to proceed promptly with the preparation of an engineering report and all required attachments and exhibits thereto, necessary to enable the District to make application for the issuance of the Bonds pursuant to Commission Rule No. 31 TAC § 293.41 et seq., or similar rules of any successor agency, in an amount sufficient to pay or provide for the payment of the cost of the Facilities, including the Developer's Reimbursable Share. Upon completion and adoption of such report, the District will take all steps reasonably necessary in accordance with the Rules of the Commission and all applicable laws to prepare, submit, file and process with the Commission a bond application for approval of the issuance of sufficient bonds to pay or provide for the payment of the Construction Costs of the Facilities, including the Reimbursable Share.

Section 3.03 Issuance and Sale of Bonds. The District agrees that it will use its best efforts in good faith to issue, sell and deliver its Bonds on the best available terms as soon as reasonably practical according to the provisions of this Agreement and will use the proceeds of the sale of such Bonds to pay the Reimbursable Share incurred by the Developer in the manner and amount approved by the Commission. The District shall advertise and receive bids, and issue, sell and deliver the Bonds as soon as reasonably practical; provided, however, that if no

bid is received by the District offering to purchase the bonds at a net effective interest rate equal to or less than two (2) percentage points over the maximum weekly average of the "20-Bond Index" in Credit Markets for the thirty-day period immediately preceding the date of the notice of sale of the Bonds, the District shall not be required to accept any such bid(s) nor be obligated to readvertise and attempt to sell such Bonds sooner than sixty (60) days following the last such unsuccessful attempt to sell the Bonds. Upon the sale of the Bonds, the District shall use its best efforts in good faith to obtain the Attorney General's approval of the Bonds and registration of the Bonds by the Comptroller of Public Accounts of the State of Texas.

Section 3.04 Developer Request for Reimbursement. The Developer agrees to maintain and provide the District with a complete accounting of all Construction Costs incurred by the Developer in order to determine the Reimbursable Share. The District's Engineer shall verify such Reimbursable Share to the District, and the Developer and the District's Engineer agree to assist the auditor engaged by the District to perform the legally required audit of the bond issue in determining and verifying the Reimbursable Share.

Section 3.05 Purchase of Facilities. The District's obligation to purchase the Facilities is subject to the following:

- (a) The Developer's compliance with all terms of this Agreement;
- (b) Approval of the plans and specifications of the Facilities by all federal, State and local bodies having jurisdiction;
- (c) The Facilities shall be constructed in a good and workmanlike manner, and the materials used shall be free from defects and fit for the intended purpose;
- (d) The Facilities shall be constructed in dedicated public rights-of-way or utility easements. The Developer shall convey to the District or by conveyance document in recordable form all the necessary easements, rights-of-way, for the real property on or under which the Facilities are located and shall convey by warranty deed any Site or Sites for the Facilities, except as provided by the Rules of the Commission, without the charge or expense to the District;
- (e) Upon completion of the construction of the Facilities, the Developer shall provide the District with "as-built" drawings of the Facilities approved by the District's Engineers;
- (f) The District's Engineer shall provide the District with certification to the effect that the construction has been completed in accordance with the plans and specifications as approved by the District;
- (g) Approval by the Commission of the issuance and sale by the District of Bonds for the purchase of Facilities;
- (h) The receipt of a bid and awarding of sale of the Bonds by the District;
- (i) Approval of the Bonds by the Attorney General of the State of Texas;



(j) Registration of the Bonds by the Comptroller of Public Accounts of the State of Texas;

(k) Presentation to the District of a commitment for title insurance with respect to the real property on which the Facilities are located including the Site or Sites, if any, and the "easements" to be conveyed pursuant to this Agreement and a copy of every document affecting the chain of title to such real property from the date of the prior reimbursement agreement with the Prior Developer to the date of this Agreement, updated at closing in a form acceptable to the District;

(l) Delivery of a (i) title insurance policy showing the District as insured owner in the amount of the Reimbursable Share at the sole cost and expense of the Developer, without reimbursement, in the sole discretion of the District, or (ii) other proof by Developer of good and indefeasible title to the Improvements in real property on which the Facilities are located including any Site or Sites, if any, and the "easements" to be conveyed pursuant to this Agreement; and

(m) Proof of Developer's right of ownership and entitlement to reimbursements under the reimbursement agreement with the Prior Developer and a letter from the principal officer of the Prior Developer to that effect and release and relinquishment of all his rights and interest in said reimbursements, if necessary.

Section 3.06 Release of Interest. Upon payment in full by the District to the Developer of the Reimbursable Share, the Developer shall, in writing, convey, transfer, release, terminate and forever relinquish to the District any and all claims, interests, rights, title and benefits or whatever nature or kind, including any and all beneficial interest that the Developer may have or may acquire to the Facilities by operation of law or pursuant to the terms and provisions of this Agreement, resulting from the Developer's payment of the Construction Costs. Further, Developer agrees to grant, sell and convey to the District all easements and Sites by special warranty deed, in a manner and form acceptable to District, upon which the Facilities shall have been or shall be constructed with full warranties, free and clear of all liens, claims, encumbrances, options, charges, assessments, restrictions, limitations and reservations, including liens for ad valorem taxes for past and current years and payments due to construction contractors, laborers or materialmen, except for matters already of record or usual subdivision restrictions. This Section shall not be construed to release any rights the Developer may have with respect to payment of the Reimbursable Share pursuant to the terms and provisions of this Agreement.

Section 3.07 Warranties on Facilities. Any and all obligations, warranties, guarantees or other assurances of workmanship, materials or equipment by the Contractor, materialmen or other suppliers of labor, material or equipment with respect to the installation and construction of the Facilities shall be for the benefit of and shall run to the District.

Section 3.08 Value Created by Developer. The District agrees that the taxable value created by or caused to be created by the Developer on the Property will be used solely to support debt to reimburse the Developer for the Developer's Reimbursable Share of the Facilities as calculated by the District's Financial Advisor under this Agreement, provided, however, that

Developer shall seek reimbursement hereunder in a single bond issue, and that thereafter, the District may use any value on the Property for any purpose of the District. Developer acknowledges that such single reimbursement may not provide for 100 percent (100%) reimbursement to Developer of all of the Construction Costs of the Facilities, but shall be in an amount no less than the Reimbursable Share due Developer subject to the reimbursement audit, as prepared by the District's auditor and approved by the Board.

## ARTICLE IV

### MISCELLANEOUS

Section 4.01 Procedure. Neither Developer nor Developer's legal representatives or successors in interest by operation of law or otherwise shall directly or indirectly, voluntarily or by operation of law, sell, assign, encumber, pledge, or otherwise transfer or hypothecate (herein called an "Assignment") Developer's rights to the Allowable Costs or any other sum or portions thereof due it or to become due it from the District or the Developer's contract right to any such sums arising out of and by virtue of this Agreement without strictly complying with the notice procedure set forth hereinbelow.

Section 4.2. Conditional Permitted Assignment. Developer shall have the right to (i) assign or pledge all or a portion of the Developer's contract right to any sum due or to become due under this Agreement to aid and assist Developer in the financing of its acquisition of the real estate comprising the Service Area and/or its development of the improvements to be constructed hereunder or for any other purpose deemed appropriate by the Developer, and (ii) assign (either outright or by operation of law) all or a portion of any sum due or to become due under this Agreement to a subsequent owner of the Service Area or another third party; provided, however, that any such Assignment shall be effective as to the District only upon strict compliance with and completion of each of the following terms and conditions:

- (a) The execution of an acknowledgement of notice by the District, the form of which is attached hereto as Exhibit "C," to evidence the District's receipt of notice of the Assignment; and
- (b) The recording of the Assignment for public notice purposes in the Official Public Records of Real Property of the county (or counties) in which the Facilities are located and the delivery of a copy of such recorded document to the District to confirm compliance with such public notice requirement.

Section 4.3 Reliance. The District shall be entitled to pay any sums due or to become due under this Agreement in accordance with the most recent Assignment with respect to which the District has executed an acknowledgement of notice as required hereunder, and the District's records with respect thereto shall be deemed conclusively correct. The District shall not be required to pay any sums due or to become due under this Agreement unless the party claiming such right to receive such sums can prove to the satisfaction of the District compliance with these requirements, and such party's rights thereto.

Section 4.4 Right to Interplead. In the event that any controversy or uncertainty should arise with respect to rights to any sum due or to become due under this Agreement, the District shall have the right, at its sole and absolute discretion, to institute a bill of interpleader in any court of competent jurisdiction to determine the rights of the parties.

Section 4.5. No waiver. The District's acknowledgement of notice of any Assignment hereunder shall not be deemed a waiver of the District's rights hereunder or the requirements of this Article V with respect to any subsequent Assignments, and the parties hereto acknowledge and agree that any subsequent Assignments shall be subject to all of the terms hereof.

## ARTICLE V

### MISCELLANEOUS

Section 5.01 Liability of District. The District shall not be liable to any contractor, engineer, attorney or materialmen employed or contracted with by the Developer, unless the District assumes the construction contract(s) as provided in Section 3.11. The District shall have no liability to Developer, except in accordance with the terms hereof.

Section 5.02 Insurance. Upon the completion of any improvements constructed as part of the Facilities described herein and upon final inspection and acceptance thereof by the Developer and the District prior to the issuance of Bonds and purchase of Facilities by the District, the Developer shall engage, with the District's approval, a reliable insurance company to adequately insure the completed above ground improvements against risk of loss of such improvements and any liabilities in connection with the construction, operation or maintenance of the Facilities in the names of and for the mutual benefit of the District and the Developer. The Developer, upon entering into such insurance contract or contracts, shall send or cause to be sent executed copies thereof to the District. Such insurance contract or contracts shall be assumed and maintained by and be solely for the benefit of the District upon purchase of the Facilities by the District.

Section 5.03 Force Majeure. If force majeure prevents either party hereto from performing any of its obligations under this Agreement, in whole or in part, then the obligations of such party, to the extent affected by such force majeure, shall be suspended during the continuance of any inability so long as such party is exercising due diligence to resume performance at the earliest practicable time. As soon as reasonably possible after occurrence of the force majeure relied upon, the party whose contractual obligations are affected thereby shall give notice and full particulars of such force majeure to the other party. The term "Force Majeure," as used herein, shall include, without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and any other inability of either party, whether similar to those enumerated or

otherwise, which are not within the control of the party claiming such inability, and which such party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be remedied with all reasonable dispatch, but shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

Section 5.04 Remedies Upon Default. It is not intended hereby to specify, and this Agreement shall not be considered as specifying an exclusive remedy for any default, but all such other remedies existing at law or in equity may be availed of by either party and shall be cumulative.

Section 5.05 No Additional Waiver Implied. No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances.

Section 5.06 Addresses and Notice. Unless otherwise provided in this Agreement, any notice, communication, request, reply or advice herein provided or permitted to be given, made or accepted by either party to the other must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram, when appropriate, addressed to the party to be notified. For the purpose of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the District, to:  
Harris County Municipal Utility District No. 368  
c/o Johnson Petrov LLP  
2929 Allen Parkway, Suite 3150  
Houston, Texas 77019

If to the Developer, to:  
Robert W. Wilson, President  
Little Woodrow's, LLC  
3711 Briar Park, Suite 300  
Houston, Texas 77042  
bob@littlewoodrows.com

The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify any other address by at least fifteen (15) days' written notice to the other party.

Section 5.07 Modification. This Agreement shall be subject to change or modification only in writing and with the mutual consent of the parties.

Section 5.08 Parties in Interest. This Agreement shall be for the sole and exclusive benefit of the District, the District's successors, the Developer and the Developer's successors and shall not inure to the benefit of any Contractor(s) or any third party.

Section 5.09 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement with respect to other persons or circumstances shall not be affected thereby.

Section 5.10 Merger. This Agreement, together with Exhibits "A", "B" and "C" attached hereto, constitutes the entire agreement between the parties relative to the subject matter hereof. There have been and are no agreements, covenants, representations or warranties between the parties other than those stated or provided for herein.

Section 5.11 Choice of Law. This Agreement and the transactions contemplated hereby shall be construed in accordance with and governed by the laws of the State of Texas. The obligations hereunder are further subject to all rules, regulations and laws of any regulatory agency having jurisdiction, including the Rules of the Commission.

Section 5.12 Term. This Agreement shall have a term of twenty (20) years from the date first written above, except in the event of earlier termination pursuant to the provisions of Section 2.03, in which event Section 2.03 shall control. Should this Agreement terminate in accordance with Section 2.03 of this Section, the parties in good faith shall consider the renewal of this Agreement upon mutually acceptable terms.

Section 5.13 Assignability. This Agreement shall bind and benefit District and its legal successors and Developer and its legal successors, but shall not otherwise be assignable, in whole or in part, by either party except by supplementary written agreements between the parties. The District understands and acknowledges that Developer may sell all or a portion of the Service Area to another party and agrees to cooperate with Developer in connection with the assignment of this Agreement or the preparation of a similar agreement with such party, provided such agreement shall be subject to and contain substantially the same terms and conditions as set forth herein unless otherwise agreed to by the District. If a city annexes the District in its entirety and such city assumes the obligations of the District, this Agreement shall remain in full force and effect and such city shall be entitled to the benefits of the District hereunder and shall be required to assume the obligations of the District hereunder, including the obligation to pay the Allowable Costs hereunder.

Section 5.14 Anti-Boycott Verification. As required by Chapter 2270, Texas Government Code, the Developer hereby verifies that it does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "Boycott Israel" 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.

Section 5.15 Iran, Sudan and Foreign Terrorist Organizations. Pursuant to Chapter 2252, Texas Government Code, the Developer represents and certifies that, at the time of execution of this Agreement neither the Developer, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 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 of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

EXHIBIT "A" - Legal Description of the Property

EXHIBIT "B" - Waiver of Special Appraisal

EXHIBIT "C" – Acknowledgement of Notice

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of which shall be deemed to be an original, as of the date and year first written above.

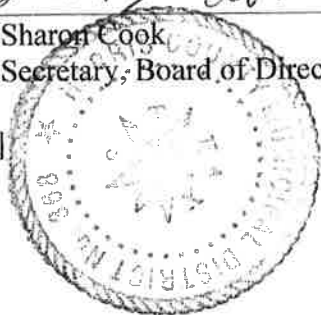
**HARRIS COUNTY MUNICIPAL UTILITY  
DISTRICT NO. 368**

By:   
Roy P. Lackey  
President, Board of Directors


ATTEST:

By:   
Sharon Cook  
Secretary, Board of Directors

[SEAL]



**Timber Tech Holdings, LLC**  
**a Texas, limited liability company**

By:   
Robert W. Wilson, President

**EXHIBIT "A"**

Legal Description of the Property



# *Thomas Land Surveying*

Surveying • Planning • Project Management

August 13, 2018

3.1791 Acres

Fieldnotes for a survey of 3.1791 acres of land out of the William Perkins Survey, Abstract No. 621, in Harris County Texas, being out of and a part of that certain 5.6788 acre tract of land described in deed recorded under County Clerk's File No. G281491 of the Real Property Records, and being comprised of that certain 2.1785 acre tract of land described in deed recorded under County Clerk's File No. L723807 of the Real Property Records of Harris County, and that certain 0.999 acre tract of land conveyed to Eugene T. Salce and Susan Herbert-Salce, as described in deed recorded under County Clerk's File No. S543737 of the said Real Property Records of Harris County, (both tracts referenced under Revocable Transfer on Death Deeds filed for record under County Clerk's File No(s). RP-2018-254610 and RP-2018-254611 of the said Real Property Records), said 3.1791 acre tract of land being more particularly described by metes and bounds, based on the Texas State Plane Coordinate System (South Central Zone) as follows:

BEGINNING at a 5/8 inch steel rod found in the North line of the said 5.6788 acre tract marking the Northwest corner of the said 2.1785 acre tract and the here described tract, said point being in the South line of Timber Tech Avenue, a 60 foot wide private Ingress/Egress easement described in instruments recorded under County Clerk's File No(s). G281489 and H198515 of the said Real Property Records (also being a 60 foot wide strip of land conveyed to HMT Inc., and described as "Tract Two" in deed recorded under County Clerk's File No. P006662 of the said Real Property Records), said point also being the Northeast corner of that certain 2.466 acre tract of land conveyed to Angus Davis Investments, LLC, as described in deed recorded under County Clerk's File No. 20070587482 of the said Real Property Records, from which point, a cut-back for State Highway No. 249 bears South 87°31'56" West, 333.07 feet;

Thence, North 87°31'56" East with the South line of said Timber Tech Avenue and the North line of the said 5.6788 acre tract and the said 2.1785 acre tract, at 265.62 feet passing a 1/2 inch steel rod found marking the Northeast corner of the said 2.1785 acre tract and the Northwest corner of the said 0.999 acre tract, and continuing in all, a total distance of 387.53 feet to a 5/8 inch steel rod with cap set for the Northeast corner of the said 5.6788 acre tract, the said 0.999 acre tract and the herein described tract, said point also being in the West line of that certain 12.00 acre tract of land conveyed to HMT Inc., and described as "Tract One" in deed recorded under County Clerk's File No. P006662 of the said Real Property Records;

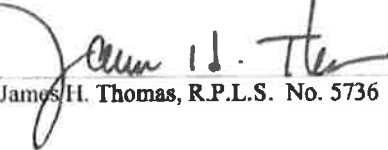
Thence, South 02°33'03" East, 357.19 feet with the West line of the said 12.00 acre tract, and with the East line of the said 5.6788 acre tract and the said 0.999 acre tract to a 5/8 inch steel rod with cap set for the Southeast corner of the said 5.6788 acre tract, the said 0.999 acre tract and the herein described tract, said point being the Southwest corner of the said 12.00 acre tract, said point also being in the North line of that certain 10.03978 acre tract of land conveyed to the County of Harris, as described in deed recorded under County Clerk's File No. W973025 of the said Real Property Records;

Thence, South 87°31'20" West with the North line of the said 10.03978 acre tract, and with the South line of the said 5.6788 acre tract and the said 0.999 acre tract, at 121.75 feet passing a 5/8 inch steel rod found marking the Southwest corner of the said 0.999 acre tract and the Southeast corner of the said 2.1785 acre tract, and continuing in all, a total distance of 387.37 feet to a 5/8 inch steel rod with cap set for the Southwest corner of the said 2.1785 acre tract and the herein described tract, said point also being the Southeast corner of the said 2.466 acre tract;

3.1791 Acres  
August 13, 2018  
Page 2

Thence, North 02°34'38" West, 357.26 feet with the East line of the said 2.466 acre tract and the West line of the said 2.1785 acre tract to the PLACE OF BEGINNING and containing 3.1791 acres or 138,481 square feet of land, more or less.

This description is based on the land title survey and plat (Job No. 16591) made under the direction of James H. Thomas, Registered Professional Land Surveyor on August 6, 2018.

  
James H. Thomas, R.P.L.S. No. 5736



**EXHIBIT "B"**

**Waiver of Special Appraisal**

**WAIVER OF SPECIAL APPRAISAL  
FOR THE BENEFIT OF  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368**

THE STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HARRIS	§	

THAT this Waiver of Special Appraisal (this "Waiver") is made and entered into as of \_\_\_\_ day of \_\_\_\_\_, 2019, for the benefit of HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368 (the "District"), a conservation and reclamation district, a body politic and corporate and political subdivision of the State of Texas, created pursuant to Article XVI, Section 59 of the Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code, as amended, and Timber Tech Holdings, LLC., a Texas limited liability company (whether individually or collectively, hereinafter the "Developer"), a landowner within the District, and is made and entered into pursuant to Section 23.20, Texas Property Tax Code.

**RECITALS**

A. The District is created, organized and exists for the purposes of the construction, acquisition, maintenance and operation of a waterworks and sanitary sewer system for domestic and commercial uses and the construction, acquisition, maintenance and operation of works, improvements, facilities, plants, equipment and appliances helpful or necessary to provide drainage for the District, including the control of harmful excesses of water. The District currently has ad valorem taxing jurisdiction over the property described in Exhibit "A" hereto (the "Property").

B. The purposes of the District in selling unlimited tax and/or revenue bonds (the "Bonds") is to provide, among other things, the funding of water, wastewater and drainage facilities (the "Facilities"). Such Facilities will be of benefit to all of the landowners within the boundaries of the District.

C. The parties acknowledge that (i) a tax base within the District based on the full appraised market value of the Property will be necessary to generate the necessary ad valorem tax revenues needed to service effectively the District's debt to be incurred in connection with the sale of the bonds, and (ii) the election by Owner, its successors or assigns, to claim agricultural, open-space, or timberland exemptions, or inventory valuation or a right to use any other mechanism now available or to be made available by any change in Texas law for the reduction of ad valorem tax liability with respect to real property (such exemptions, valuations and rights

being referred to collectively herein as the "Tax Exemptions"), not including any residential homestead exemption, for the Property would be detrimental to such tax base and significantly impair the ability of the District to meet its debt obligations under the Bonds.

D. The Texas Commission on Environmental Quality (the "TCEQ") has required that Owner waive its right to a special appraisal provided by Subchapters C, D, E, F, or G of chapter 23 of the Texas Property Tax Code as to the District, pursuant to authority granted the TCEQ in Section 23.20(e), Texas Property Tax Code.

### AGREEMENT

NOW THEREFORE, for and in consideration of the promises recited above, and the mutual promises, covenants, obligations and benefits of this Waiver, the District and Owner hereby contract, agree and covenant as follows:

Section 1. Waiver of Tax Exemptions. Owner, on behalf of itself, its successors and assigns, (i) irrevocably waives its right to claim any of the Tax Exemptions with respect to the Property for a period of twenty-five (25) years beginning with the 2019 tax year or such later time as permitted by Commission rules, as to the taxing jurisdiction of the District, and (ii) authorizes the District to file this Waiver with the Chief Appraiser of the Harris County Appraisal District within ten (10) days of the date hereof, and (iii) covenant that they will not make any claim for a special appraisal except on approval of the District's Board of Directors upon a finding that revocation of this Waiver will not materially impair the contractual, bond, or other debt obligations of the District wholly or partly payable from property taxes to which the Property is subject, and on written authorization of the TCEQ. Owner acknowledges that it may have the right under Article 8 of the Texas Constitution to assert some or all of the Tax Exemptions which it is waiving herein, and agrees that it shall be estopped from claiming such Tax Exemptions for so long as this Waiver shall remain in effect, provided, however, it is expressly acknowledged and agreed that mechanisms for single family residences now available or to be made available by any change in Texas laws for the reduction of ad valorem tax liability with respect to real property, such as exemptions for homesteads, disabled veterans, and elderly homesteads, are not included in the definition of Tax Exemptions and are expressly allowed, to the extent such exemptions would be otherwise available, with respect to the Property.

Section 2. Disclosure of Lienholders. Owner represents and warrants that there are no lienholders on the property it owns that is within the boundaries of the District, except Frost Bank.

Section 3. Reliance of District on Waiver. The District will rely, in significant part, on the covenants made by Owner hereunder in issuing its Bonds.

Section 4. Enforceability. The covenants and restrictions binding the Property hereunder shall be enforceable only by the District and its successors and assigns.

Section 5. Termination. This Waiver shall continue in full force and effect until such time as the District approves a revocation by official action of its Board of Directors, upon a

**EXHIBIT "C"**

**ACKNOWLEDGMENT OF NOTICE AND INDEMNITY**

The undersigned, Harris County Municipal Utility District No. 368 (the "District") does hereby acknowledge its receipt of notice of that certain \* [Collateral] [Partial] Assignment, dated the \_\_\_\_ day of \_\_\_\_ (the "Assignment") by and between \_\_\_\_\_ ("Assignor") and \_\_\_\_\_ ("Assignee") [record under Clerk's File No. \_\_\_\_\_, Real Property Records of \_\_\_\_\_ County, Texas] [to which this Acknowledgment is attached,] [which Assignment is attached hereto as Exhibit "A",] concerning that certain Utility Development Agreement (the "Agreement") dated \_\_\_\_\_ by and between \_\_\_\_\_ and the District.

By its execution of this Acknowledgement the District disclaims any representations as to (i) the validity of the Assignment, and (ii) whether Assignor and/or Assignee have satisfied the terms and conditions set forth in the Agreement which must be satisfied prior to the accrual of the District's obligation to pay any sum or sums due, or to become due, under the Agreement.

Assignor hereby represents and warrants that it has not assigned or attempted to assign any of its right, title, interest, or benefit in and under the Agreement and which is assigned by the Assignment to any other person or entity, other than Assignee. In consideration of the District's execution of this Acknowledgement, **ASSIGNOR HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD THE DISTRICT HARMLESS FROM AND AGAINST ANY AND ALL LOSS, COST, EXPENSE OR LIABILITY (INCLUDING REASONABLE ATTORNEYS' FEES), ARISING OUT OF OR IN ANY WAY RELATED TO THE (I) ASSIGNOR'S BREACH OF THE FOREGOING REPRESENTATION AND WARRANTY, AND (II) ANY CLAIMS, LAWSUITS, JUDGMENTS, DISPUTES, PROTESTS, CHALLENGES AND SIMILAR MATTERS ASSERTED BY ASSIGNOR AS TO ANY SUM OR SUMS DUE, OR TO BECOME DUE, UNDER THE AGREEMENT.**

Assignee hereby represents and warrants that it will not assign or attempt to assign any of its right, title, interest or benefit in and under the Agreement unless such assignment strictly complies with the terms of such Agreement. **[IN CONSIDERATION OF THE DISTRICT'S EXECUTION OF THE ACKNOWLEDGMENT, ASSIGNEE HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD THE DISTRICT HARMLESS FROM AND AGAINST ANY AND ALL LOSS, COST, EXPENSE OR LIABILITY (INCLUDING REASONABLE ATTORNEYS' FEES) ARISING OUT OF OR IN ANY WAY RELATED TO ANY CLAIMS, LAWSUITS, JUDGMENTS, DISPUTES, PROTESTS,**

**CHALLENGES AND SIMILAR MATTERS ASSERTED BY ANY PERSON OR ENTITY CONCERNING OR RELATING TO (I) ASSIGNEE'S BREACH OF THE FOREGOING REPRESENTATION AND WARRANTY, AND (II) ANY SUM OR SUMS PAID TO ASSIGNEE BUT NOT PROPERLY DUE AND OWING TO ASSIGNEE UNDER THE AGREEMENT AND FURTHER AGREES TO IMMEDIATELY RETURN TO THE DISTRICT ANY SUM OR SUMS PAID BY THE DISTRICT TO ASSIGNEE UPON THE FINAL DETERMINATION BY A COURT OF COMPETENT JURISDICTION THAT ASSIGNEE WAS NOT THE PARTY TO WHICH SUCH SUM OR SUMS WERE DUE AND PAYABLE.**

The foregoing indemnities and hold harmless agreements running in favor of the District are specifically intended to cover all costs of the District for any future litigation, including attorneys fees and expenses, other defense costs, and the costs of enforcing the indemnities and hold harmless agreements.

Executed this the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

[SIGNATURES COMMENCE ON FOLLOWING PAGE]

HARRIS COUNTY MUNICIPAL UTILITY  
DISTRICT NO 368

By: \_\_\_\_\_  
President, Board of Directors

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by \_\_\_\_\_, President of the Board of Directors of HARRIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 368, a political subdivision of the State of Texas,  
behalf of said political subdivision.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Texas

(SEAL)

By: \_\_\_\_\_  
ASSIGNOR

STATE OF TEXAS       §  
                                 §  
COUNTY OF \_\_\_\_\_ §

      This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_, by \_\_\_\_\_, of \_\_\_\_\_ a  
\_\_\_\_\_, on behalf of said \_\_\_\_\_.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Texas

(SEAL)



By: \_\_\_\_\_  
ASSIGNEE

STATE OF TEXAS       §  
                                  §  
COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_,  
201\_\_\_\_, by \_\_\_\_\_, of \_\_\_\_\_,  
a \_\_\_\_\_, on behalf of said \_\_\_\_\_.

Given under my hand and seal of office this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public in and for the State of Texas

(SEAL)

**PETITION FOR ANNEXATION OF LAND INTO  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368**

THE STATE OF TEXAS

§  
§  
§

COUNTY OF HARRIS

TO THE HONORABLE BOARD OF DIRECTORS OF HARRIS COUNTY MUNICIPAL  
UTILITY DISTRICT NO. 368:

The undersigned, Timber Tech Holdings, LLC, a Texas limited liability company (hereinafter referred to as "Petitioner"), as owner of title to a 3.1791 tract hereinafter described and acting pursuant to the provisions of Chapter 49, Texas Water Code (the "Code"), particularly Section 49.301 of the Code, together with all amendments and additions thereto, respectfully petitions and requests the Board of Directors (the "Board") of Harris County Municipal Utility District No. 368 (the "District") to add to and include within the boundaries of the District the property described by metes and bounds in Exhibit "A," attached hereto for all purposes and referred to as the "Property." In support of this Petition, Petitioner represents, covenants and agrees as follows:

I.

The Petitioner is the current owner of the title to the Property as shown by the tax rolls of Harris County, Texas. There is one lienholder on the property - Frost Bank.

II.

The Property to be annexed to and included within the District is one (1) tract of land consisting of approximately 3.1791 acres, situated wholly within Harris County, Texas. No part of the Property is within the corporate limits of any incorporated city, town or village and no part of the Property is within the extraterritorial jurisdiction (as such term is defined in Chapter 42 of the Local Government Code, Vernon's Texas Codes, as amended) of any city, town or village, except the City of Houston, Texas.

III.

Petitioner alleges that the addition of said Property to the District is feasible and practicable and would be to the advantage of the District, and would be of benefit and to the advantage of the land and all taxable property located thereon. Petitioner further alleges that the District's present and future system and other improvements of the District are sufficient or will be sufficient to supply the land proposed hereby to be added to the District without injuring lands already within the District.

IV.

Petitioner, its successors and assigns, agrees to comply with the terms, conditions and provisions of the District's rules, regulations and policies for the provision of District services, as amended from time to time, to prohibit the use of District services by, through or across the Property to any land or premises outside the Property without the prior written consent of the

District, and to make available to the District, at no cost to the District, such easements and rights-of-way of standard location and size as may be necessary, if any, to permit the District to provide services to or adjacent to the Property.

V.

Petitioner hereby certifies that there are no persons residing within the boundaries of the Property.

VI.

This Petition shall constitute an election on the part of Petitioner, its successors and assigns, for the Property and any improvements which are now or may hereafter be constructed thereon to become liable for all present and future debts and taxes of the District in the same manner and to the same extent as other lands and improvements in the District are liable for the District's debts and taxes, subject to any exemptions to which the Property will be entitled so long as Petitioner is the owner of the Property. Petitioner is aware that elections were held within the District, at which the Board of the District was authorized to issue bonds of the District and to levy a tax on all taxable property in the District to pay principal and interest on said bonds. This Petition shall be considered further an election and authorization by Petitioner, its successors and assigns, for the Board of the District to issue and sell all currently authorized but unissued bonds of the District, for the purposes and upon the terms and conditions such bonds were voted, in one or more installments or series, at a future date or dates, when, in the Board's judgment, such amounts are required for the authorized purposes. Also, Petitioner is aware that an election was held within the District, at which the Board was authorized to levy a maintenance tax on all taxable property in the District to provide for operation and maintenance revenues.

VII.

The Petitioner elects, accepts, assumes and acknowledges the rights, powers, duties and necessity of the District to assess, levy and collect taxes on and against the Property and all taxable property thereon for the payment of any outstanding indebtedness payable in whole or in part from taxation which may be owed, contracted or authorized by the District, or any taxes levied for or in anticipation of the payment of any such outstanding indebtedness which may be owed, contracted or authorized by the District. Petitioner hereby elects, accepts, covenant and agrees that the Property and all improvements thereon shall bear a pro rata share of any and all other obligations heretofore authorized and to be authorized by the District, and such Property shall be taxed equally with all other properties within the District.

VIII.

For and in consideration of the addition of the Property to the District, Petitioner agrees that all agreements, stipulations and covenants stated herein shall become fixed with the Property, shall run with the Property and shall be binding on Petitioner and Petitioner's successors and assigns.

WHEREFORE, Petitioner prays as follows: that this Petition be granted in all respects; that the Property described in Exhibit "A" attached hereto be added to and become a part of said established District as provided by law and particularly by the provisions of Chapter 49 of the Texas Water Code, as amended; that after this Petition is granted that it and the Board's action hereon be filed of record and recorded in the Office of the County Clerk of Harris County, Texas; and that Petitioner has any other relief to which Petitioner may be entitled.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Petitioner has executed this Petition as of the date signed.

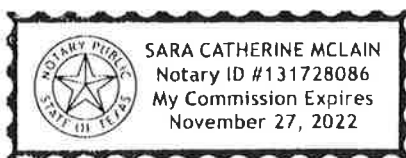
Timber Tech Holdings, LLC  
a Texas Limited Liability Company

By:   
Bob Wilson  
President

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

Before me on this day, personally appeared Bob Wilson who proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the instrument was the act of Timber Tech Holdings, LLC, a Texas Limited Liability Company, and that he executed the instrument as the act of said limited liability company for the purposes and consideration expressed therein, by proper authority, and in the capacity stated in the instrument.

Given under my hand and seal of office this 26 day of March, 2019.



(SEAL)

  
Notary Public in and for the State of Texas

# *Thomas Land Surveying*

Surveying • Planning • Project Management

August 13, 2018

3.1791 Acres

Fieldnotes for a survey of 3.1791 acres of land out of the William Perkins Survey, Abstract No. 621, in Harris County Texas, being out of and a part of that certain 5.6788 acre tract of land described in deed recorded under County Clerk's File No. G281491 of the Real Property Records, and being comprised of that certain 2.1785 acre tract of land described in deed recorded under County Clerk's File No. L723807 of the Real Property Records of Harris County, and that certain 0.999 acre tract of land conveyed to Eugene T. Salce and Susan Herbert-Salce, as described in deed recorded under County Clerk's File No. S543737 of the said Real Property Records of Harris County, (both tracts referenced under Revocable Transfer on Death Deeds filed for record under County Clerk's File No(s). RP-2018-254610 and RP-2018-254611 of the said Real Property Records), said 3.1791 acre tract of land being more particularly described by metes and bounds, based on the Texas State Plane Coordinate System (South Central Zone) as follows:

BEGINNING at a 5/8 inch steel rod found in the North line of the said 5.6788 acre tract marking the Northwest corner of the said 2.1785 acre tract and the here described tract, said point being in the South line of Timber Tech Avenue, a 60 foot wide private Ingress/Egress easement described in instruments recorded under County Clerk's File No(s). G281489 and H198515 of the said Real Property Records (also being a 60 foot wide strip of land conveyed to HMT Inc., and described as "Tract Two" in deed recorded under County Clerk's File No. P006662 of the said Real Property Records), said point also being the Northeast corner of that certain 2.466 acre tract of land conveyed to Angus Davis Investments, LLC, as described in deed recorded under County Clerk's File No. 20070587482 of the said Real Property Records, from which point, a cut-back for State Highway No. 249 bears South 87°31'56" West, 333.07 feet;

Thence, North 87°31'56" East with the South line of said Timber Tech Avenue and the North line of the said 5.6788 acre tract and the said 2.1785 acre tract, at 265.62 feet passing a 1/2 inch steel rod found marking the Northeast corner of the said 2.1785 acre tract and the Northwest corner of the said 0.999 acre tract, and continuing in all, a total distance of 387.53 feet to a 5/8 inch steel rod with cap set for the Northeast corner of the said 5.6788 acre tract, the said 0.999 acre tract and the herein described tract, said point also being in the West line of that certain 12.00 acre tract of land conveyed to HMT Inc., and described as "Tract One" in deed recorded under County Clerk's File No. P006662 of the said Real Property Records;

Thence, South 02°33'03" East, 357.19 feet with the West line of the said 12.00 acre tract, and with the East line of the said 5.6788 acre tract and the said 0.999 acre tract to a 5/8 inch steel rod with cap set for the Southeast corner of the said 5.6788 acre tract, the said 0.999 acre tract and the herein described tract, said point being the Southwest corner of the said 12.00 acre tract, said point also being in the North line of that certain 10.03978 acre tract of land conveyed to the County of Harris, as described in deed recorded under County Clerk's File No. W973025 of the said Real Property Records;

Thence, South 87°31'20" West with the North line of the said 10.03978 acre tract, and with the South line of the said 5.6788 acre tract and the said 0.999 acre tract, at 121.75 feet passing a 5/8 inch steel rod found marking the Southwest corner of the said 0.999 acre tract and the Southeast corner of the said 2.1785 acre tract, and continuing in all, a total distance of 387.37 feet to a 5/8 inch steel rod with cap set for the Southwest corner of the said 2.1785 acre tract and the herein described tract, said point also being the Southeast corner of the said 2.466 acre tract;

3.1791 Acres  
August 13, 2018  
Page 2

Thence, North 02°34'38" West, 357.26 feet with the East line of the said 2.466 acre tract and the West line of the said 2.1785 acre tract to the PLACE OF BEGINNING and containing 3.1791 acres or 138,481 square feet of land, more or less.

This description is based on the land title survey and plat (Job No. 16591) made under the direction of James H. Thomas, Registered Professional Land Surveyor on August 6, 2018.

  
James H. Thomas, R.P.L.S. No. 5736



**PETITION FOR CONSENT TO ANNEX LAND TO  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368**

THE STATE OF TEXAS           §  
  §  
COUNTY OF HARRIS           §

TO THE HONORABLE MAYOR AND THE CITY COUNCIL OF THE CITY OF HOUSTON,  
TEXAS:

The undersigned, HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368 a municipal utility district located in Harris County, Texas (the "District"), and Timber Tech Holdings, LLC, a Texas limited liability company ("Petitioner"), acting pursuant to the provisions of Chapter 49, Title 4, Texas Water Code, respectfully petition the City Council of the City of Houston, Texas (the "City"), for its written consent to the annexation by the District of one (1) tract composed of 3.1791 acres of land described by metes and bounds in Exhibit "A" attached hereto for all purposes (the "Property"). In support of this Petition, the undersigned would show the following:

I.

The District was organized, created and established on December 13, 1973, pursuant to Article XVI, Section 49 of the Constitution of the State of Texas and operating under the provisions of Chapters 49 and 54, Texas Water Code, as amended.

II.

The Property is described by metes and bounds on Exhibit "A" which is attached hereto and incorporated herein for all purposes.

III.

The Petitioner is the current owner of title to the Property which consists of one (1) tract of land totaling 3.1791 acres as shown by the tax rolls of Harris County, Texas. There is one lienholder on the property - Frost Bank.

IV.

The Petitioner hereby certifies that there are no persons or qualified voters residing within the boundaries of the Property.

V.

The Property sought to be annexed to the District is situated wholly within Harris County, Texas. No part of the Property is within the extraterritorial jurisdiction (as such term is defined in Texas Local Government Code Section 42.001 et. seq., as amended) of any city, town



or village except the City of Houston, Texas. All of the Property may properly be annexed into the District.

#### VI.

The general nature of the work to be done in the area sought to be annexed to the District is the construction, acquisition, maintenance and operation of a waterworks and sanitary sewer system, for domestic and commercial purposes, and the construction, acquisition, maintenance and operation of a drainage system to gather, conduct, divert, and control local storm water or other local harmful excesses or water in the area.

#### VII.

There is, for the following reasons, a necessity for the above-described work. The area proposed to be annexed to the District, which will be developed as commercial development, is urban in nature, is within the growing environs of the City of Houston is in close proximity to a populous and developed section of Harris County, and within the immediate future, will experience substantial and sustained residential growth. There is not now available within the area sought to be annexed to the District an adequate waterworks and sanitary sewer system, nor an adequate drainage system, and it is not presently economically feasible for the area sought to be annexed to provide for such systems. Since the health and welfare of the present and future inhabitants or tenants of the area and of the territories adjacent thereto require the construction, acquisition, maintenance and operation of an adequate waterworks and sanitary sewer system and a drainage system, a public necessity exists for the annexation of the aforementioned Property to the District to provide for the purchase, construction, extension, improvement, maintenance and operation of such waterworks and sanitary sewer system and such drainage system, so as to promote the purity and sanitary condition of the State's waters and the public health and welfare of the community.

#### VIII.

This Petition shall constitute an election on the part of the Petitioner, its successors and assigns, for the aforesaid Property and any improvements which are now or may hereafter be constructed thereon to become liable for all present and future debts of the District in the same manner and to the same extent as other Property and improvements in the District are liable for the District's debts.

#### IX.

Without limiting the generality of the above, the Petitioner is aware that the District has heretofore issued \$69,290,000 of its total bond authority approved by voters, and the Petitioner hereby agree that the Property and all improvements thereon, presently existing or to be constructed, shall assume its share of all bonds or other obligations of the District and must be taxed equally with all other property within the District. The Petitioner acknowledges, consents to, and affirmatively requests the assumption by the Property to be annexed of a pro rata share of