

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, November 19, 2015

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, November 19, 2015 at the District's regular meeting place, Graceview Baptist Church, 25510 Tomball Parkway, Tomball, Texas, whereupon the roll was called of the members of the Board to-wit:

Roy P. Lackey	President
Tiffani C. Bishop	Vice President/Investment Officer
Sharon L. Cook	Secretary
Eric Daniel	Treasurer
Allison V. Dunn	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Consultants in attendance were: Mike Plunkett of Eagle Water Management, Inc. ("Operator"); Matthew Carpenter P.E. of IDS Engineering Group ("IDS" or "Engineer"); Kay Townsley of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Kristen Scott of Bob Leared Interests Inc. ("Tax Assessor/Collector"); Andrew Dunn and Matthew Dunn of On-Site Protection, LLC ("On-Site"); Corporal Thomason and Sergeant Walton of the Harris County Precinct 4 Constable's Office ("HCCO"); and Scott Eidman, attorney, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP" or "Attorney").

The President called the meeting to order at 6:35 p.m., and in accordance with the notice posted pursuant to law, the following business was transacted:

- I. **Public Comment.** There was no public comment.
- II. **General Business.**
 - A. **District's Website.** There were no matters to report.
 - B. **Emergency Operations and repairs to District Facilities.** Mr. Plunkett reported that Water Well No. 6 is back in service. He also reported that he is still waiting to receive a quote to purchase a spare sludge pump for the Wastewater Treatment Plant.

Mr. Plunkett then requested the Board to approve the Water Smart Resolution and submittal of same to the Water Smart Committee at the Association of Water Board Directors ("AWBD").

Next, upon motion by Director Cook, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board approved the Water Smart Resolution and authorized its submittal to the Water Smart Steering Committee at the AWBD.

- C. Generator purchase for Lift Station no. 6. This matter was tabled.
- D. Concrete repair guidelines. The Board discussed possible guidelines for concrete repairs in the District. Mr. Carpenter stated that IDS shall prepare such guidelines and present to the Board at a future Board meeting.

Mr. Plunkett updated the Board regarding the driveway repairs on a residence located on Amistad Rd. and stated that the project will be finalized prior to the next Board meeting. He also reported that he reviewed the ponding issues reported by a resident, Perry Liston. He stated that the issue seems to be caused by the lack of slope from the inlet covers. Mr. Plunkett further stated that a small swale can be installed to prevent the flooding, if determined that Mr. Liston's residence is the only property in the area with ponding issues.

- E. Residential Recycling and Reuse of Texas ("RRRT") Monthly Recycling Report. The Board reviewed the recycling report, a copy of which is attached hereto as Exhibit "A".
- F. Service request for property located at 23822 State Hwy 249. Mr. Carpenter reported that the owner of the property located at 23822 State Hwy 249 (the "Property") has requested water service for the Property. The front of the Property currently has a fireworks stand and the owner would like to develop industrial office/warehouse facilities in the back side of the Property. Mr. Carpenter stated that because the District has a Strategic Partnership Agreement with the City of Houston, the owner may need to remove the fireworks stand due to the City of Houston regulations. Discussion ensued regarding annexation options and Mr. Carpenter stated that one of the options may be to annex the back side of the property and offer out-of-District service for the property with the fireworks stand. Discussion ensued regarding the request after which upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board authorized IDS to prepare a feasibility study for the potential annexation of the Property, subject to receipt of the annexation deposit.

Next, Mr. Carpenter informed the Board regarding preliminary discussions related to potential annexation of the eight (8) acres tract located south of the Red River on SH 249.

III. **Tax Assessor/Collector's Report.** Ms. Scott reviewed the Tax Assessor/Collector's Report for the month of October 2015, a copy of which is attached hereto as Exhibit "B". Ms. Scott reported that 99.752 % of the District's 2014 tax levy had been collected as of October 31, 2015.

Ms. Scott presented the ballot for the Board of Directors of the Harris County Appraisal District ("HCAD"). Discussion ensued and the Board agreed to cast its vote for Glen Peters.

Ms. Scott next asked for the Board's authorization to send a water termination notice to Sonia Osborn for not fulfilling her payment obligations as required by her Payment Plan Agreement for 2014 delinquent taxes.

Upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board (i) approved the Tax Assessor/Collector's Report; (ii) authorized payment of checks numbered 1116 through 1120 from the Tax Account; and (iii) authorized the Operator to send a water termination notice to Ms. Osborn after the Thanksgiving Holiday.

IV. **Bookkeeper's Report.** Ms. Townsley reviewed the Bookkeeping Report, a copy of which is attached hereto as Exhibit "C".

Next, upon motion by Director Cook, seconded by Director Dunn, after full discussion, and with all Directors present voting aye, the Board voted to (i) approve the Bookkeeper's Report; (ii) authorize payment of Check Nos. 13786 to 13886 from the Operating Fund, and (iii) authorize payment of Check No. 1674 from the Capital Projects Fund.

V. **Security Matters;**

A. **Security Report.** Sergeant Walton presented to and reviewed with the Board the Security Report, a copy of which is attached hereto as Exhibit "D". Mr. A. Dunn next reviewed the internet performance report for District's facilities, a copy of which is attached to the Security Report. Mr. A. Dunn informed the Board that Verizon is offering a government rate for internet service, which is lower than Comcast's rate currently paid by the District. Discussion ensued after which upon motion by Director Cook, seconded by Director Lackey, after full discussion and with Director Dunn abstaining, the Board authorized On-Site to enter into a service agreement with Verizon on behalf of the District for the District's new lift station no. 6.

VI. **Engineer's Report.** There were no additional matters to report.

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

VIII. **Attorney's Report.**

A. **Real Estate matters.** There were no matters to report.

B. **Minutes of November 5, 2015 Board meeting.** Upon motion by Director Cook, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board approved the minutes of the November 5, 2015 Board meeting, as amended.

IX. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 7:55 p.m.

Passed and approved this 3rd day of December, 2015.



Secretary, Board of Directors

Exhibits:

- "A" Recycling Report
- "B" Tax Assessor/Collector's Report
- "C" Bookkeeper's Report
- "D" Security Report