

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, November 3, 2016

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 3, 2016, at the District's regular meeting place, Graceview Baptist Church, 25510 Tomball Parkway, Tomball, Texas, whereupon the roll was called of the members of the Board to-wit:

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

All members of the Board were present, thus constituting a quorum. Consultants in attendance were: Matthew Carpenter, P.E., and Kameron Pugh, E.I.T., of IDS Engineering Group ("IDS" or "Engineer"); Mike Plunkett of Eagle Water Management, Inc. ("Eagle" or "Operator"); Mark Miller of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Shannon Waugh of Off Cinco; and Andrew P. Johnson, III, and Tyler Scully, attorneys, and Mirna Croon, paralegal, of Johnson Petrov LLP ("Attorney").

The President called the meeting to order at 6:30 p.m., and in accordance with the notice posted pursuant to law, the following business was transacted:

- I. **Public Comment.** There was no public comment.
- II. **General Business.**
 - A. **District's Website.** The President recognized Ms. Waugh who reviewed updates to the website.
 - B. **Pay Bills and Pay Estimates.** There were no pay bills/pay estimates presented.
- III. **Operator's Report.** The President recognized Mr. Plunkett who presented to and reviewed with the Board the Operator's Report, a copy of which is attached hereto as Exhibit "A". Mr. Plunkett noted that the District had 97.6% accountability for the period from September 20, 2016 to October 19, 2016. Mr. Plunkett also noted that during the last month 98.15% of the District's water came from the surface water source with the remainder from the District's groundwater wells.

Mr. Plunkett reported that the sanitary sewer line on Amistad Rd. is clogged and will need to be televised.

Mr. Plunkett next reviewed a proposal from Lewis Industrial Sales, LLC to furnish and deliver doors for Water Plant No. 1 at a cost of \$3,192.

Mr. Plunkett then reviewed with the Board the Termination List, a copy of which is attached to the Operator's Report, and affirmed that all Customers on the list were at least sixty (60) days past due and had been notified in writing of their right to attend this meeting to address the Board.

Upon motion by Director Cook, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board (i) approved the doors replacement proposal by Lewis, subject to the final approval by Director Lackey; (ii) authorized termination of service to customers listed on the Termination List, in accordance with provisions of the District's Rate Order; and (iii) approved the Operator's Report as presented.

IV. **Engineer's Report.** Mr. Pugh presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "B".

- A. Northern Point Drainage. Mr. Pugh reported that the cleaning and televising is complete. IDS is reviewing the inspection reports.
- B. Operations Committee Meeting. The Operations Committee meeting has been scheduled for November 29, 2016.
- C. Grand Parkway. Mr. Pugh reported that ZOPB has requested the District to accept the project as complete. IDS rejected their request to acknowledge completion and accept the work as ZOPB is yet to agree to a meeting to discuss the erosion control for M122. Discussion ensued and the Board asked that IDS send another meeting request to ZOPB and if ZOPB does not respond, JP is to send a letter regarding the issue.
- D. Bond Issue No. 13. Mr. Carpenter stated that the Bond Application Report ("BAR") is to be submitted within the next few days. Mr. Carpenter discussed issuing a Bond Anticipation Note to reimburse Woodmere Development ("Woodmere") prior to the BAR approval by the Texas Commission on Environmental Quality ("TCEQ"). The District could use its general fund to reimburse Woodmere for less than the current reimbursement amount, which is 70 percent, thus the District would earn a bit more on its investment than it's currently earning through its money market accounts. The District's General Fund would be reimbursed once the District issues bonds.
- E. Water Quality Monitoring for Water Wells Nos. 2, 3, 4, 5, and 6. Mr. Pugh reported that the October 2016 laboratory test results for benzene, toluene, ethyl benzene, or xylene (BTEX) in Water Wells Nos. 2, 3, 4, 5, and 6 are non-detect.
- F. Water Plant ("WP") No. 2. Mr. Pugh reported that the construction plans for piping modifications to be able to transfer surface water from WP No. 2 to WP No. 1 are complete. The Operator plans to begin construction after completion of the odor control equipment installation at the Wastewater Treatment Plant.

- G. WP Nos. 1 and 2. The final draft of the water plant valve flow diagram was presented to the Operator at the previous Operations Committee meeting. IDS is working to design flow diagrams for specific operational procedures to accompany the completed diagram.
- H. Water Plant rehabilitation. An inspection of district plant facilities was completed on August 17, 2016. Water Plant ("WP") No. 1 and the Wastewater Treatment Plant ("WWTP") are in good condition. Mr. Pugh stated that IDS requests the Board's authorization to prepare plans and specifications for the GST Rehabilitation at WP No. 2. The work would be performed on a time and material basis.
- I. Phase 3 Sanitary Sewer Cleaning and Televising. IDS is working with the Operator to prepare a detailed estimate for the proposed work and develop a schedule for the repairs.
- J. WWTP Odor Control. Mr. Pugh stated that the Operator has begun installation of the equipment. IDS is coordinating electrical work with Electrical Field Services.
- K. Sandy Stream Sewer Capacity Evaluation: Upsize required for Dungrove tract. There were no new matters to report.
- L. Lift Station ("LS") Panel replacements. Mr. Pugh stated that the design for the replacement control panels for Lift Station Nos. 1 and 2 and Stormwater Pump Station No. 1 is nearly complete.
- M. Emergency Generators for LS Nos. 1, 2 and 6. Mr. Pugh reported that comments were sent to Cummins Generators regarding the submittals for the emergency generators to serve LS Nos. 1, 2, and 6. The comments have been addressed and IDS is prepared to accept the submittals as soon as no objections have been received from all reviewers.
- N. LS No. 2 – Sanitary Sewer force main. Mr. Carpenter reported that the Notice to Proceed was issued to the Contractor on October 18, 2016. The Contractor was unable to locate the force main and IDS asked them to excavate the area on the south side of Boudreaux Road to locate the force main. Mr. Carpenter stated if the Contractor is unable to locate the force main, IDS recommends that the segment of the missing line be replaced. IDS may need to receive additional permit approval from Harris County for the force main replacement.
- O. NorthPointe Center – Phase 2 (Santikos). There were no new matters to report.
- P. Adriatic Café (Ekrem & Alban, LLC). There were no new matters to report.
- Q. 136-Acre Finger Tract. The landowners are working with the State to agree upon land value for the condemnation. Discussion ensued regarding potential development on the tract.

R. Ashford Grove East, Section 2, WS&D Facilities. Construction is in progress. A notice to proceed was issued on September 26, 2016.

S. Ashford Grove East, Sanitary Sewer Lift Station. Mr. Pugh reported that the construction is complete; however, operation and maintenance manuals are yet to be approved.

Next, upon motion by Director Cook, seconded by Director Bishop, after full discussion and with all Directors present voting aye, the Board (i) authorized IDS to prepare plans and specifications for the GST Rehabilitation at WP No. 2; and (ii) the Engineer's Report.

V. Developer's Report. There were no additional matters to report.

VI. Attorney's Report.

Approval of minutes of the October 20, 2016 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 October 20, 2016 meeting as amended.

VII. Adjournment. With no additional matters before the Board, the Board adjourned the meeting at 8:20 p.m.

Passed and approved this 17th day of November, 2016.



Secretary, Board of Directors

Exhibits:

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