

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, January 19, 2017

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 368 (the "District") met in regular session, open to the public, at 6:30 p.m. on Thursday, January 19, 2017, at the District's regular meeting place, Graceview Baptist Church, 25510 Tomball Parkway, Room AB 110, 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. and Kameron Pugh, E.I.T. of IDS Engineering Group ("IDS" or "Engineer"); Kaye Townley of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Kristen Scott of Bob Leared Interests, Inc. ("Tax Assessor/Collector"); Corporal Salvador of the Harris County Precinct 4 Constable's Office ("HCCO"); Andrew Dunn and Matthew Dunn of On-Site Protection, LLC (the "Security Coordinator"); and Tyler Scully, attorney, and Mirna Croon, paralegal, of Johnson Petrov LLP ("JP" or "Attorney"). Also present was Stuart Brown of Northern Point Homeowner Association ("HOA").

The President called the meeting to order at 6:38 p.m. and in accordance with the notice posted pursuant to law, the following business was transacted:

I. **Public Comment.** The President recognized Mr. Brown who stated that the HOA is interested in having a splash pad constructed and would like to know if any impact fees would be assessed by the District. Mr. Plunkett stated that there are no impact fees. He stated that if the splash pad uses re-circulated water, it will only need to pay an irrigation fee. Mr. Carpenter noted that in cases of extreme drought, the District, in accordance with its Drought Contingency Plan, will institute temporary restrictions on non-essential water use, such as splash pads.

II. **Security Report.** Corporal Salvador presented to and reviewed with the Board the Security Report, a copy of which is attached hereto as Exhibit "A".

Mr. A. Dunn reviewed the internet performance report for District facilities, a copy of which is attached hereto as Exhibit "A-1".

III. **General Business.**

- A. **Emergency Operations and repairs to District Facilities.** Mr. Plunkett reported that the generator at Water Plant No. 2 has been repaired. He also reported that one of the digester aeration basins at the Wastewater Treatment Plant ("WWTP") is clogged and will need to be cleaned. The second basin will be cleaned in approximately six (6) weeks as well, as it has been five (5) to six (6) years since the digester was last cleaned.

Mr. Plunkett next updated the Board regarding the odor control project at the WWTP noting that the project should be finalized by the next Board meeting.

Mr. Plunkett informed the Board that the Water Smart application has been submitted to the Water Smart Committee at the Association of Water Board Directors.

- B. **District's Website.** There were no matters to report.
- C. **Residential Recycling and Refuse of Texas ("RRRT") Monthly Recycling Report.** There was no report presented.

IV. **Tax Assessor/Collector's Report.** Ms. Scott reviewed the Tax Assessor/Collector's Report for the month of December 2016, a copy of which is attached hereto as Exhibit "B". Ms. Scott reported that 73.272% of the District's 2016 tax levy had been collected as of December 31, 2016.

Upon motion by Director Cook, seconded by Director Dunn, after full discussion and with all Directors present voting aye, the Board: (i) approved the Tax Assessor/Collector's Report; and (ii) authorized payment of checks numbered 1215 through 1219 from the Tax Account.

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

Mr. Carpenter asked that check no. 15010 to CES Utilities, Inc. ("CES") for Pay Estimate Nos. 1 and 2 related to the Lift Station no. 2 – Sanitary Sewer Force Main project – be approved but not released to CES until a lien waiver has been received from the subcontractor.

Next, upon motion by Director Cook, seconded by Director Bishop, after full discussion, and with all Directors present voting aye, the Board voted to: (i) approve the Bookkeeper's Report; (ii) approve check no. 15010, subject to receipt of a lien release from the subcontractor; and (iii) authorize payment of Check Nos. 14951 through 15009 and Check Nos. 15011 through 15037 from the Operating Fund.

VI. **Engineer's Report.** Mr. Carpenter stated that the Bond Application Report should be approved by the Texas Commission on Environmental Quality within the next couple of weeks.

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

VIII. **Attorney's Report:**

A. **Response Letter to Willow Falls Association (the "Association") regarding fencing.** Mr. Scully presented to and reviewed with the Board the draft of the response letter to the Association. Extensive discussion ensued after which the Board agreed to inform the Association that if the fence is not repaired as required by the Fence Maintenance Agreement (the "Agreement"), the Board will have no other choice but to terminate the Agreement.

B. **Minutes of January 5, 2017 Board meeting.** Next, 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 January 5, 2017 meeting as amended.

IX. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 8:10 p.m.

[EXECUTION PAGE FOLLOWS]

Passed and approved this 2nd day of February, 2017.



Secretary, Board of Directors

Exhibits:

- "A" Security Report
- "A-1" Internet Performance report
- "B" Tax Collector Report
- "C" Bookkeeper Report