

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 368

Minutes of Meeting Thursday, July 20, 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, July 20, 2017, at the District's regular meeting place, 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"); Kameron Pugh, E.I.T., of IDS Engineering Group ("IDS" or "Engineer"); Kaye Townley of Municipal Accounts and Consulting, L.P. ("MAC" or "Bookkeeper"); Craig Rathmann of Rathmann & Associates ("Financial Advisor"); Kristen Scott of Bob Leared Interests, Inc. ("Tax Assessor/Collector"); Sergeant Walton 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, 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.

Security Report. Sergeant Walton presented to and reviewed with the Board the Security Report, a copy of which is attached hereto as Exhibit "A". Director Bishop then discussed the security budget noting that the security overtime costs thus far are \$7,000.

Mr. M. Dunn reviewed the internet performance report for District facilities. He reported no major outages at District facilities.

II. **General Business.**

A. **District's Website.** There were no matters to report.

B. **Emergency Operations and repairs to District Facilities.** There were no matters to report.

C. **Residential Recycling and Refuse of Texas ("RRRT") Monthly Recycling Report.** There was no report.

- D. Sales Revenue Inc. ("SRI") Report. Mr. Scully reviewed correspondence from Mr. Fortner noting that the SRI Report should be ready for an August meeting.
- E. BL Technologies proposal for SCADA upgrade. This matter was tabled.
- F. Rate Order violations. The Board discussed correspondence to and from the resident with an illegal connection to his neighbor's water supply. Sergeant Walton discussed the process of filing a criminal charge against the resident for the illegal connection, and upon motion by Director Cook, seconded by Director Lackey, after full discussion and with all Directors present voting aye, the Board authorized filing of a criminal charge against the resident.

Next, the Board asked JP to prepare and send correspondence to the neighbor requesting that the illegal distribution of water cease immediately.

- G. Bond dinner. The Board agreed to schedule a bond dinner for August 11, 2017.
- H. Order Adopting Preliminary Official Statement Approving Notice of Sale, and Authorizing Distribution Thereof related to Unlimited Tax Bonds, Series 2017. Mr. Rathmann presented to and reviewed with the Board the draft of the POS, a copy of which is attached hereto as Exhibit "B". Mr. Rathmann reviewed several sections of the POS noting that the interest rates are still low by the historical standards. Mr. Rathmann also discussed the process involved in obtaining a rating for the Bonds and stated that he will request a credit rating from Moody's. Mr. Rathmann further explained that the District is in a good financial position with a low debt to value ratio, thus it should receive multiple bids on its bonds. He stated that the bids will be presented for the Board's review and approval at the August 17, 2017 Board meeting.

Next, upon motion by Director Cook, seconded by Director Daniel, after full discussion and with all Directors present voting aye, the Board (i) approved the POS and authorized distribution of same; (ii) authorized publishing of the Notice of Sale; and (iii) authorized the Financial Advisor to obtain a credit rating for the Bonds, as needed.

III. **Tax Assessor/Collector's Report.** Ms. Scott reviewed the Tax Assessor/Collector's Report for the month of June 2017, a copy of which is attached hereto as Exhibit "C". Ms. Scott reported that 99.10% of the District's 2016 tax levy had been collected as of June 30, 2017.

Next, upon motion by Director Cook, seconded by Director Daniel, 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 check nos. 1258-1265.

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

Next, upon motion by Director Cook, seconded by Director Lackey, 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. 15403 through 15502 from the Operating Fund; and (iii) authorize payment of Check No. 1690 from the Capital Projects Fund.

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

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

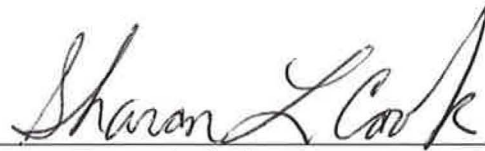
VII. **Attorney's Report.**

Minutes of July 6, 2017 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 July 6, 2017 meeting as amended.

VIII. **Adjournment.** With no additional matters before the Board, the Board adjourned the meeting at 8:27 p.m.

[EXECUTION PAGE FOLLOWS]

Passed and approved this 3rd day of August, 2017.



Secretary, Board of Directors

Exhibits:

- "A" Security Report
- "B" POS
- "C" Tax Collector report
- "D" Bookkeeper report