

MINUTES OF MEETING OF BOARD OF DIRECTORS
February 28, 2018

THE STATE OF TEXAS

COUNTY OF HARRIS

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 322

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The board of directors (the "Board") of Harris County Municipal Utility District No. 322 (the "District") met in regular session, open to the public, at 1301 McKinney Street, Houston, Texas, on February 28, 2018, at 12:00 p.m.; whereupon the roll was called of the directors, to-wit:

Marc Newman, President
David Howell, Vice President
Johnny South, Secretary
Alison "Frizz" McGahan, Treasurer
Todd Griffin, Assistant Secretary

All members of the Board were present except Director Griffin. Also attending all or portions of the meeting were Ms. Kim Shelnuitt of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Jason Demel and Ms. Janet Dolan of Inframark Water Infrastructure Operations ("Inframak"), operators for the District; Ms. Odett McMullen of Bob Leared Interests, tax assessors and collectors for the District; Mr. Mark Swanson LJA Engineering, Inc., engineer for the District; and Ms. Jane Maher and Mr. Dimitri Millas of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District.

The President called the meeting to order and, in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as Exhibit "A," the following business was transacted:

1. **Review and approve minutes of meeting of January 24, 2018.** Proposed minutes of the meeting of January 24, 2018, previously distributed to the Board, were presented for review and approval. Upon motion by Director South, seconded by Director Howell, after full discussion and having had the question put to the Board, the Board voted unanimously to approve the minutes of January 24, 2018, as presented.

2. **Public Comments.** There were no public comments.

3. **Discuss website.** The Board requested that Ms. Maher obtain a formal proposal for the next meeting.

4. **Tax Assessor-Collector's Report, payment of certain bills, and any necessary action regarding delinquent accounts including termination of service.** The President recognized Ms. McMullen, who presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of January, a copy of which is attached hereto as Exhibit "B." Ms. McMullen stated that 95.36% of the District's 2017 taxes had been collected as of January 31, 2018. She presented three checks for the Board's approval.

Ms. McMullen presented the SPA business list to the Board, a copy of which is attached hereto as Exhibit "C."

Upon motion by Director McGahan, seconded by Director South, after full discussion and having had the question put to the Board, the Board voted unanimously to accept the Tax Assessor-Collector's Report and to authorize payment of the expenditures listed therein.

5. **Delinquent Tax report and Take Any Necessary Action Regarding Delinquent Accounts including Termination of Services.** There was no report.

6. **Bookkeeper's report, payment of bills, including review of budget, investment report and policy, and any necessary changes.** The President recognized Ms. Shelnutt, who presented to and reviewed with the Board the Bookkeeper's Report and monthly investment report, a copy of which is attached hereto as Exhibit "D."

Ms. Shelnutt presented 16 checks and five deposit refunds for the Board's approval. Ms. Shelnutt also presented a check for the District's portion of the security expenses not listed on the report.

Ms. Shelnutt stated that a Certificate of Deposit ("CD") at Texan Bank is maturing prior to the next meeting. She stated that the six month interest rate is .75% and the yearly interest rate is close the daily rate of TexPool. The Board instructed Ms. Shelnutt to invest the funds from the CD at Texan Bank in a CD with the highest interest rate then available, if higher than TexPool.

Upon motion by Director South, seconded by Director Howell, after full discussion and having had the question put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to invest the funds from the CD at Texan Bank in a CD with the highest interest rate then available, if higher than TexPool, and to authorize the expenditures listed therein.

7. **Report by District Operator, authorization of any necessary maintenance and termination of delinquent accounts.** The President recognized Ms. Dolan, who presented to and reviewed with the Board the Operator's Report, a copy of which is attached hereto as Exhibit "G."

Ms. Dolan stated that the District's accountability for the month of January was 99.93%.

Ms. Dolan requested authorization to turn one account with a balance of \$32.68 over to Collections Unlimited of Texas for collection.

Ms. Dolan stated that there are nine accounts on the delinquent list. Ms. Dolan stated that the accounts will be tagged on March 1, 2018 and turn offs will be March 5, 2018.

Ms. Dolan reviewed the call log with the Board. The President requested that a report summary of chlorine residuals that leave the water plants be provided for the Board.

Upon motion by Director South, seconded by Director McGahan, after full discussion and having had the question put to the Board, the Board voted unanimously to approve the Operator's Report, to turn one account with a balance of \$32.68 over to Collections Unlimited of Texas for collection, and to terminate the delinquent accounts in accordance with the rate order.

8. **Report on Joint Operations Council ("JOC").** The President reported on various approved projects at the JOC meeting.

9. **Engineer's Report, Capacity Commitment Letters, and other engineering activities.** The President recognized Mr. Swanson, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "H."

Mr. Swanson stated that for the Sanitary Sewer Rehabilitation for Chappell Ridge Section One and Garden Grove Section One, LJA has performed a preliminary review of the videos for the televised sanitary sewer system for the purpose of preparing an updated preliminary cost estimates and a proposal for engineering services. He stated that based on the bids for Inwood park Section One, the updated estimated cost of construction for Chappell Ridge Section One is \$110,000 with contingencies and the updated estimated cost of construction for Garden Grove Section One is \$170,000 with contingencies. He stated that LJA will prepare drawings and contracts with the goal of beginning construction in Spring of 2018.

Mr. Swanson stated that LJA received construction plans for review from Spartan Engineering Solutions for an AutoZone going in next to the Schlotzsky's off Cypresswood Drive. He stated that a check for \$2,500 review fee was received by the District's Bookkeeper. He stated LJA reviewed the plans and all comments were addressed. He stated that on behalf of the District, LJA issued a No Objection Letter dated February 20, 2018 for the project. He stated that Spartan Engineering Solutions submitted a capacity request on February 12, 2018 for a total of five ESFCs of capacity consisting of two ESFC for domestic and three ESFCs for irrigation. He also stated that the District has already paid Harris County Municipal Utility District No. 358 ("HCMUD No. 358") for five ESFCs to serve this site.

Upon motion by Director McGahan, seconded by Director Howell, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report and to authorize service for water and wastewater to AutoZone contingent on recordation of the water meter easement and payment of the tap fee determined by the operator.

10. **Discuss and consider water meter easement for AutoZone.** The President recognized Mr. Millas, who presented to and reviewed with the Board the water meter easement for AutoZone, a copy of which is attached hereto as Exhibit "G." Upon motion by Director South, seconded by Director McGahan, after full discussion and the question being put to the Board, the Board voted unanimously to approve the water meter easement for AutoZone.

11. **Report on AWBD Conference.** The Board reported on various seminars at the AWBD Conference.

12. **Other Consultant Reports.** There were no reports.

13. **Next meeting date (March 28, 2018).** The Board set a tentative meeting date of March 28, 2018, at 12:00 p.m.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,
the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on March 28, 2018.



President, Board of Directors

ATTEST:



Treasurer, Board of Directors

(DISTRICT SEAL)

