

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 28, 2018

THE STATE OF TEXAS §
COUNTY OF HARRIS §
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 322 §

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 March 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 and Director South. Also attending all or portions of the meeting were Ms. Kim Shelnett 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. Robin Goin of Bob Leared Interests, tax assessors and collectors for the District; Mr. Mark Eyring of Roth & Eyring, PLLC, auditor for the District; Mr. Allen DeJonge of 1190 Designs; Mr. Mark Swanson LJA Engineering, Inc., engineer for the District; and Ms. Jane Maher 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 February 28, 2018.** Proposed minutes of the meeting of February 28, 2018, previously distributed to the Board, were presented for review and approval. Upon motion by Director McGahan, 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 February 28, 2018, as presented.
2. **Public Comments.** There were no public comments.
3. **Cancel election and adopt Order Declaring Unopposed Candidates Elected to Office.** The President recognized Ms. Maher, who presented to and reviewed with the Board the Order Declaring Unopposed Candidates Elected to Office, a copy of which is attached hereto as Exhibit "B." Ms. Maher stated that Directors Newman and Griffin are unopposed for the Director's election on May 5, 2018, and they Board may cancel the election. 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 Order Declaring Unopposed Candidates Elected to Office.
4. **Discuss website.** The President recognized Mr. DeJonge, who presented to and reviewed with the Board the proposal for website services, a copy of which is attached

hereto as Exhibit "C." Upon motion by Director Howell, seconded by Director McGahan, after full discussion and the question being put to the Board, the Board voted unanimously to approve the website proposal with the standard layout option with a one-time fee of \$900, along with hosting option number three for \$250 a month that includes unlimited updates with email alerts.

5. **Approve audit for fiscal year ending December 31, 2017.** The President recognized Mr. Eyring, who presented to and reviewed with the Board the management representation letter and the draft audit for the fiscal year ending December 31, 2017, copies of which are attached hereto as Exhibit "D."

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 audit for the fiscal year ending December 31, 2017.

6. **Tax Assessor-Collector's Report, payment of certain bills, and any necessary action regarding delinquent accounts including termination of service.** The President recognized Ms. Goin, who presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of February, a copy of which is attached hereto as Exhibit "E." Ms. Goin stated that 97.5% of the District's 2017 taxes had been collected as of February 28, 2018. She presented two checks for the Board's approval.

Upon motion by Director McGahan, seconded by Director Howell, 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.

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

8. **Bookkeeper's report, payment of bills, including review of budget, investment report and policy, and any necessary changes.** The President recognized Ms. Shelnett, 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 "F."

Ms. Shelnett presented 16 checks and four deposit refunds for the Board's approval.

Ms. Shelnett stated that there is a Certificate of Deposit ("CD") in the debt service account at Icon Bank that will mature prior to the next meeting. She stated that the six month interest rate is .20%. The Board instructed Ms. Shelnett to invest the funds from the CD at Icon Bank in TexPool, if TexPool's rate is higher than Icon Bank at the time of renewal.

Upon motion by Director McGahan, 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 Icon Bank in TexPool, if TexPool's rate is higher than Icon Bank at the time of renewal, and to authorize the expenditures listed therein.

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

Mr. Demel stated that Inframark has started the District's annual fire hydrant inspection.

Mr. Demel stated that the District's accountability for the month of February was 99.12%.

Mr. Demel requested authorization to turn two accounts with a balance of \$221.40 over to Collections Unlimited of Texas for collection.

Mr. Demel stated that there are 36 accounts on the delinquent list. Mr. Demel stated that the accounts were tagged March 27, 2018 and turn offs will be April 4, 2018.

Mr. Demel reviewed the call log with the Board. He stated that there was one poor water quality report for February.

Upon motion by Director Howell, 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 two accounts with a balance of \$221.40 over to Collections Unlimited of Texas for collection, and to terminate the delinquent accounts in accordance with the rate order.

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

11. **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 is completing the review of the videos and the preparation of plans. 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 the anticipated bid schedule for the first advertisement is on April 6, 2018 and the second advertisement is scheduled for April 13, 2018. He stated that the pre-bid meeting will be on April 13, 2018 and the bid opening will be on April 20, 2018 and that bids can be presented to the Board for award at the April 25, 2018 meeting.

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 advertisement for bid for the Sanitary Sewer Rehabilitation for Chappell Ridge Section One and Garden Grove Section One.

12. **Approve SB625 filing.** The President recognized Ms. Maher, who stated that the District is required to submit financial and tax-related information to the Comptroller by May 1, 2018. Upon motion by Director Howell, seconded by Director McGahan, after full discussion and the question being put to the Board, the Board voted unanimously to approve the SB625 filing and to authorize NRF to make the filing on behalf of the District.

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

14. **Next meeting date (April 25, 2018).** The Board set a tentative meeting date of April 25, 2018, at 12:00 p.m.

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

* * *

The foregoing minutes were passed and approved by the Board of Directors on April 25, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

