

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 23, 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 May 23, 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 Directors Griffin and Howell. 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. Robin Goin of Bob Leared Interests, tax assessors and collectors for the District; Ms. Julie Peak of Masterson Advisors, LLC; Mr. Mark Swanson LJA Engineering, Inc., engineer for the District; and Mr. Reginald Wilson and Ms. Amanda Dykmann 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 April 25, 2018.** Proposed minutes of the meeting of April 25, 2018, previously distributed to the Board, were presented for review and approval. 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 approve the minutes of April 25, 2018, as presented.

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

3. **Qualify Directors and Election of Officers.** Following the delivery of Certificates of Election, Directors South and Newman took their oaths of office and qualified for their new terms on the Board. The President then recognized Mr. Wilson, who said the Board is required to meet and elect officers after each directors election. 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 maintain the current slate of officers.

4. **Discuss website.** The President stated he will review the documents he received from Mr. DeJonge and the website will go live next week.

5. **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 April, a copy of which is attached hereto as Exhibit "B." Ms. Goin stated that 98.3% of the District's 2017 taxes had been collected as of April 30, 2018. She presented two checks for the Board's approval.

The President suggested writing off collections from 2006 to 2012 under \$1,000.00.

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, authorize payment of the expenditures listed therein and authorize writing off collections under \$1,000.00 between 2006 and 2012.

6. **Delinquent Tax report and Take Any Necessary Action Regarding Delinquent Accounts including Termination of Services.** This was addressed in the previous item.

7. **Consider Financial Advisor Agreement.** The President recognized Ms. Peak, who stated that the municipal utility district financial advisors departed Hilltop Securities, Inc. and are now at Masterson Advisors, LLC. Ms. Peak stated that there are no changes to the District's financial advisory contract if the Board decides to move to Masterson Advisors, LLC. She presented to and reviewed with the Board the Financial Advisory Contract with Masterson Advisors, LLC, a copy of which is attached hereto as Exhibit "C."

Mr. Wilson presented to and reviewed with the Board a termination letter to Hilltop Securities, Inc., a copy of which is attached hereto as Exhibit "D." Ms. Peak stated that the Board can request Hilltop Securities, Inc. to waive the 30 day notice period.

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 execute the termination letter to Hilltop Securities, Inc., and to request the waiving of the 30 day notice period and to engage Masterson Advisors, LLC as the District's financial advisor.

8. **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 "E."

Ms. Shelnutt presented 17 checks and 11 deposit refunds for the Board's approval.

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 Bookkeeper's Report 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 Ms. Dolan, who presented to and reviewed with the Board the Operator's Report, a copy of which is attached hereto as Exhibit "F."

Ms. Dolan stated there was one account up for collections. The President stated the owner had passed away and not to pursue.

Ms. Dolan stated that the District's accountability for the month of April was 99.68%.

Ms. Dolan stated that there are 39 accounts on the delinquent list. Ms. Dolan stated that the accounts were tagged May 22, 2018 and turn offs will be May 31, 2018.

Ms. Dolan reviewed the call log with the Board.

Ms. Dolan stated that there was a Consumer Price Index (CPI) increase of 3% effective May 1, 2018.

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 and to terminate the delinquent accounts in accordance with the rate order.

10. **Approve Consumer Confidence Report.** The President recognized Ms. Dolan, who presented to and reviewed with the Board the Consumer Confidence Report ("CCR"), a copy of which is attached hereto as Exhibit "G." It was the consensus of the Board to deliver the CCR to residents electronically. Ms. Dolan stated that Inframark will also provide a notice on the bill. Upon motion by Director McGahan, seconded by Director South, after full discussion and the question being put to the Board, the Board voted unanimously to approve the CCR.

11. **Report on Joint Operations Council ("JOC").** The President reported on various approved projects at the JOC meeting. He stated there may be a cash call coming. He reported the JOC discussed reviewing the operator contracts and whether or not to petition for proposals from different companies.

12. **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, the construction project was awarded to Texas Pride Utilities, LLC with a total bid amount of \$130,707.

Mr. Swanson presented to the Board two proposals for approval for material testing. First proposal from HTS, Inc. Consultants for the testing of backfill in the public right-of-way, in the amount of \$2,800.00. Second proposal from HTS Pipe Consultants, Inc. to provide testing of the cured in place pipe material and thickness, in the amount of \$1,515.00.

Upon motion by Director McGahan, seconded by Director South, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report and both proposals for material testing.

13. **Consider request to fund sidewalk.** The President reviewed with the Board a proposal from the Fairfield Place POA, to assist in funding of a sidewalk; a copy of which is attached hereto as Exhibit "I." It was the consensus of the Board to defer this item to next month until pricing on the project could be confirmed.

14. **Approve Continuing Disclosure Report and Authorize Filing.** Mr. Wilson presented to and reviewed with the Board the District's annual report on financial information and operating data pursuant to S.E.C. Rule 15c2-12 (the "Continuing Disclosure report"), a copy of which is attached hereto as Exhibit "J." Mr. Wilson asked the Board to approve filing the Continuing Disclosure report on the website of the Municipal Securities Rulemaking 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 Continuing Disclosure report and authorize its filing.

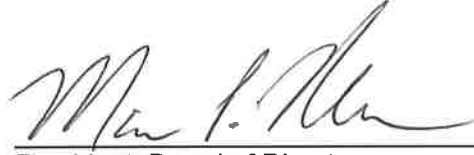
15. **Other Consultant Reports.** Mr. Wilson presented to and reviewed with the Board a letter regarding disclosure of director information for the Board's execution, a copy of which is attached hereto as Exhibit "K."

16. **Next meeting date (June 27, 2018).** The Board set a tentative meeting date of June 27, 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 June 27, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

