

MINUTES OF MEETING OF BOARD OF DIRECTORS
June 27, 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 June 27, 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 South. Also attending all or portions of the meeting were Mr. Terry Holland of Myrtle Cruz, Inc., bookkeeper for the District; 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 Swanson LJA Engineering, Inc., engineer for the District; Mr. Allen DeJonge of 1190 Designs; and Mr. Dimitri Millias 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 May 23, 2018.** Proposed minutes of the meeting of May 23, 2018, previously distributed to the Board, were presented for review and approval. 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 minutes of May 23, 2018, as presented.

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

3. **Discuss website.** The President stated the website is complete and running. He requested the operator to include the web address on next month's bill.

Mr. DeJonge stated he submitted search terms for the website through google. He stated the District's web address is www.hcmud322.org.

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. 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 98.8% of the District's 2017 taxes had been collected as of May 31, 2018. She presented two checks for the Board's approval.

Ms. Goin stated the preliminary taxable value for land and improvements had gone up 5% to \$341,391,048.

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, 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 Mr. Holland, 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 "C."

Mr. Holland presented 16 checks and 3 deposit refunds 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 Bookkeeper's Report 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 "D."

Ms. Dolan stated there was one account up for collections.

Ms. Dolan stated that the District's accountability for the month of May was 97.45%.

Ms. Dolan stated that there are 18 accounts on the delinquent list. Ms. Dolan stated that the accounts were tagged June 26, 2018 and turn offs will be July 10, 2018.

Ms. Dolan reviewed the call log with the Board.

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 Operator's Report and to terminate the delinquent accounts in accordance with the rate order.

8. Report on Joint Operations Council ("JOC"). The Vice President reported on various approved projects at the JOC meeting. He stated a cash call will be coming next month. He reported the JOC discussed recycling issues within the District. He also stated the JOC reviewed the security report and crime had gone down.

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 "E."

Mr. Swanson stated that for the Sanitary Sewer Rehabilitation for Chappell Ridge Section One and Garden Grove Section One, LJA has reviewed the contractor's submittals. He stated the contractor is pre-televising the lines and is approximately half way through.

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 Engineer's Report.

10. **Review HARCO Insurance Proposal and consider need for other Insurance Proposals (Expires 8/24/18).** The Board reviewed a proposal from HARCO Insurance to renew the District's insurance for a term from 8/24/2018 through 8/24/2019, a copy of which is attached hereto as Exhibit "F."

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 Proposal from HARCO Insurance Services.

11. **Report on bond compliance services from Arbitrage Compliance Specialists.** Mr. Millas reported that Arbitrage Compliance Specialists manage reviews of the District's bonds to ensure compliance with the Internal Revenue Service ("IRS") regulations. He stated there are no issues to report on the District's outstanding bonds and no rebates are due to the IRS.

12. **Consider request to fund sidewalk.** The President discussed with the Board the request to assist in funding of the sidewalk from the Property Owners Association. Discussion ensued. 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 assist in funding the sidewalk for no more than \$15,000, upon review of final plans and invoice.

13. **Report on AWBD Conference.** There was no report.

14. **Other Consultant Reports.** There was no report.

15. **Next meeting date (July 25, 2018).** The Board discussed rescheduling next month's meeting for a later date. The Board set a tentative meeting date of August 1, 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 August 1, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

