

MINUTES OF MEETING OF BOARD OF DIRECTORS  
September 26, 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 September 26, 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 Shelnutt 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; Ms. Shanna Lopez of Waste Management; Mr. Chase Wolf of Masterson Advisors, financial advisor 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 August 22, 2018.** Proposed minutes of the meeting of August 22, 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 August 22, 2018, as presented.

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

3. **Discuss website.** It was the consensus of the Board to have Ms. Dykmann distribute the monthly analytical report from 1190 Designs to the Board each month.

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 September, a copy of which is attached hereto as Exhibit "B." Ms. Goin stated that 99.3% of the District's 2017 taxes had been collected as of August 31, 2018. She presented four checks for the Board's 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 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.** Ms. Goin presented to and reviewed with the Board the Delinquent Tax Report, a copy of which is attached hereto as Exhibit "C." Discussion ensued.

Upon motion by President Newman, seconded by Director McGahan, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the operator to tag residents who are eligible for termination of services.

**6. Order Designating Officer to Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2018.** The President recognized Mr. Wolf, who presented to and reviewed with the Board a Cash Flow Analysis, a copy of which is attached hereto as Exhibit "D." Mr. Wolf said Masterson Advisors recommended setting a \$0.31 debt service tax and a \$0.20 or \$0.19 maintenance tax for a total tax rate of \$0.50 or \$0.51 per \$100 Assessed valuation. Discussion ensued.

Mr. Wilson then presented to and reviewed with the Board the Order Designating Officer to Calculate and Publish Tax Rates and taking other actions in connection with the levy of a tax for 2018, a copy of which is attached hereto as Exhibit "E." Mr. Wilson informed the Board this order authorizes the tax assessor to publish the proposed tax rate and the date and time of the tax rate hearing. Discussion ensued.

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 calculate and publish a tax rate of \$0.50 per \$100 assessed valuation.

**7. 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 "F."

Ms. Shelnutt presented eighteen checks and six deposit refunds for the Board's 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 accept the Bookkeeper's Report, and to authorize the expenditures listed therein.

**8. 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 August was 97.35%.

Ms. Dolan stated that there are 31 accounts on the delinquent list. Ms. Dolan stated that the accounts were tagged September 26, 2018 and turn offs will be October 4, 2018.

Ms. Dolan reviewed the call log with the Board.

Ms. Dolan presented a picture of a man-hole that needs to be sealed, a copy of which is attached to the operator's report. She stated Inframark will repair the concrete surrounding the man-hole after sealing.

Ms. Dolan requested to write-off two accounts in the aggregate amount of \$18.71.

Discussion ensued regarding commercial billing charges. President Newman requested Ms. Dolan to research further and discuss at the next meeting.

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 terminate the delinquent accounts in accordance with the rate order, authorize the man-hole to be sealed and surrounding concrete be repaired, and to authorize the write-off of two accounts in the aggregate amount of \$18.71.

9. **Amendment to Contract with Waste Management.** The President recognized Ms. Lopez, who discussed with the Board the challenge in providing recycling now that China has changed its standards for the recyclables it will take. Ms. Lopez discussed the steps Waste Management is taking to improve the quality of the recyclables and to find additional markets. She said that due to this situation she has been discussing an increase in the trash and recycling charge with Joint Operations Council. Ms. Lopez then presented to the Board the First Amendment to Municipal Solid Waste Collection and Transportation Agreement (the "Amendment"), a copy of which is attached hereto as Exhibit "H." Discussion ensued.

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 Amendment.

10. **Report on Joint Operations Council ("JOC").** The President discussed various topics from the 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 "I."

Mr. Swanson reported on the Sanitary Sewer Rehabilitation for Chappell Ridge Section One and Garden Grove Section One. He noted Pay Estimate No. 2 in the amount of \$53,722.80 was approved in the bookkeeper's report.

Mr. Swanson discussed with the Board the Use of Surplus Funds Application. It was the consensus of the Board to add this to next month's agenda.

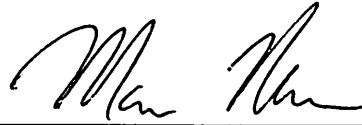
12. **Other Consultant Reports.** There were no reports.

13. **Next meeting date (October 24, 2018).** The Board set a tentative meeting date of October 24, 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 October 24, 2018.



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors

(DISTRICT SEAL)

