

MINUTES OF MEETING OF BOARD OF DIRECTORS  
October 24, 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 October 24, 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 Ms. Kim Shelnett 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; and Mr. Dimitri Millas 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 September 26, 2018.** Proposed minutes of the meeting of September 26, 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 September 26, 2018, as presented.
2. **Public Comments.** There were no public comments.
3. **Discuss website.** The President requested Ms. Dykmann contact the District's website manager Mr. DeJonge and have him put a Waste Management recycling article on the website.
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 99.53% of the District's 2017 taxes had been collected as of September 30, 2018. She presented four checks for the Board's approval.

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 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. Convene Public Hearing on Proposed Tax Rate for 2018.** The President opened the hearing on proposed tax rate for 2018. There were no public comments. The President closed the hearing.

**7. Adopt Order Setting Tax Rate and Levying Tax for 2018.** The President recognized Mr. Millas, who presented to and reviewed with the Board the Order Setting Tax Rate and Levying Tax for 2018, a copy of which is attached hereto as Exhibit "C."

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 adopt the Order Setting Tax Rate and Levying Tax for 2018 with a total rate of \$0.50, including a rate of \$0.31 for debt service and a rate of \$0.19 for operation and maintenance expenses.

**8. Approve Amended District Information Form.** The President recognized Mr. Millas, who presented to and reviewed with the Board the Amendment to Amended and Restated District Information Form, a copy of which is attached hereto as Exhibit "D." Mr. Millas reported that this document is recorded in the Harris County Real Property Records to provide notice to purchasers of property in the District of the current tax rate in the District.

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 amendment to Amended and Restated District Information Form.

**9. 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 16 checks and 4 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.

**10. 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 that the District's accountability for the month of September was 98.82%.

Ms. Dolan stated that there are 26 accounts on the delinquent list. Ms. Dolan stated that the accounts were tagged October 24, 2018 and will be turned off on October 30, 2018.

Ms. Dolan reviewed the call log with the Board.

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

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

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 "G."

Mr. Swanson reported on the Sanitary Sewer Rehabilitation for Chappell Ridge Section One and Garden Grove Section One. He noted Pay Estimate No. 3 in the amount of \$15,593.40 was approved in the bookkeeper's report.

Mr. Swanson discussed with the Board the Use of Surplus Funds Application. He stated Phase One was previously approved by the TCEQ. Mr. Millas stated that the Board needed to approve the use and transfer of funds for rehabilitation of Phase One.

Mr. Swanson reported he is working with the JOC engineer to prepare proposal for televising sanitary sewer lines.

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 authorize the use of surplus funds and to reimburse the general operating fund and close out the construction fund.

13. **Approve Resolution Requesting approval of the use of Surplus Funds.** This item was addressed in the previous item.

14. **Other Consultant Reports.** Director McGahan stated the tour of the wastewater and water plant facilities went well.

15. **Discuss Director Attendance.** It was the consensus of the Board to defer this item until next month.

16. **Consider November and December meeting dates.** The Board set a tentative meeting dates of November 28, 2018 and December 19, 2018, at 12:00 p.m.

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

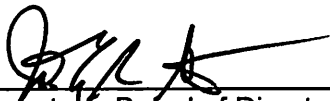
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The foregoing minutes were passed and approved by the Board of Directors on November 28, 2018.



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President, Board of Directors

ATTEST:



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Secretary, Board of Directors

(DISTRICT SEAL)

