

MINUTES OF MEETING OF BOARD OF DIRECTORS
November 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 November 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. 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 of 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 October 24, 2018.** Proposed minutes of the meeting of October 24, 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 October 24, 2018, as presented.

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

3. **Discuss website.** The President discussed getting information to Fairfield residents on the HOA website. He stated he discussed this at the JOC meeting.

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 October, a copy of which is attached hereto as Exhibit "B." Ms. Goin stated that 99.72% of the District's 2017 taxes and .26% of the District's 2018 taxes had been collected as of October 31, 2018. She presented four checks for the Board's approval.

Ms. Goin asked the Board if they were interested in having an aerial drone photo of the District taken. Discussion ensued. The Board decided not at this time.

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 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 "C."

Ms. Shelnutt presented 17 checks and 6 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.

7. Adopt budget for fiscal year ending December 31, 2019. Ms. Shelnutt presented to and reviewed with the Board the draft budget for year ending December 31, 2019, a copy of which is attached hereto as Exhibit "D." Discussion ensued.

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 budget for fiscal year ending December 31, 2019, with changes noted by the Board.

8. Appoint auditor for fiscal year ending December 31, 2018. The President stated the District had engaged the auditor for a two year period for 2017 and 2018 last year.

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 "E."

Ms. Dolan stated that the District's accountability for the month of October was 102.73%.

Ms. Dolan stated that there are 27 accounts on the delinquent list. Ms. Dolan stated that the accounts were tagged November 28, 2018 and will be turned off on December 6, 2018.

Ms. Dolan reviewed the call log with the Board.

Ms. Dolan requested the Board's approval to send two accounts in the aggregate amount of \$247.87 to collections. Discussion ensued.

Upon motion by Director South, 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, to terminate the delinquent accounts in accordance with the rate order, and authorize sending two accounts to collections in the aggregate amount of \$247.87.

10. **Report on Joint Operations Council (“JOC”).** The President discussed various topics from the meeting. He stated HCMUD 358 would address graffiti issues within the District.

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 “G.”

Mr. Swanson reported on the Sanitary Sewer Rehabilitation for Chappell Ridge Section One and Garden Grove Section One is complete. He noted the amount on the final pay estimate was incorrect and no maintenance bond was included so it will be presented at next month’s meeting.

Mr. Swanson reported he is working with the JOC engineer to prepare proposal for televising sanitary sewer lines. He stated the JOC has agreed to have the Operator televise all lines within each section and pay for their portion contingent upon an agreed upon scope and cost.

12. **Discuss Director attendance and take any necessary action.** Mr. Millas discussed with the Board Director Griffin’s attendance and conflicts he has had. Discussion ensued. It was the consensus of the Board to discuss at a later date.

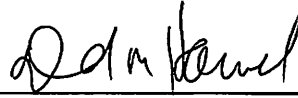
13. **Other Consultant Reports.** There was no report.

14. **Next meeting date (December 19, 2018).** The Board set a tentative meeting date of December 19, 2018, at 12:00 p.m.

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

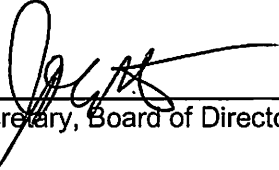
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The foregoing minutes were passed and approved by the Board of Directors on December 19, 2018.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

