

MINUTES OF MEETING OF BOARD OF DIRECTORS
December 19, 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 December 19, 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 Newman. 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 November 28, 2018.** Proposed minutes of the meeting of November 28, 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 November 28, 2018, as presented.
2. **Public Comments.** There were no public comments.
3. **Discuss website.** There was no report.
4. **Tax Assessor-Collector's Report, payment of certain bills, and any necessary action regarding delinquent accounts including termination of service.** The Vice President recognized Ms. Goin, who presented to and reviewed with the Board the Tax Assessor-Collector's report for the month of November, a copy of which is attached hereto as Exhibit "B." Ms. Goin stated that 5.9% of the District's 2018 taxes had been collected as of November 30, 2018. She presented three checks 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 Tax Assessor-Collector's Report, authorize payment of the expenditures listed therein.

5. **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 for November 2018, copies of which are attached hereto as Exhibit "C."

Ms. Shelnutt presented eighteen checks and four deposit refunds for the Board's approval.

Ms. Shelnutt noted Pay Estimate No. 4 and final in the amount of \$27,590.90 to Texas Pride Utilities is being presented for the Board's approval.

Upon motion by Director South, seconded by Director McGaha, 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.

6. **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 that the District's accountability for the month of November was 98.58%.

Ms. Dolan stated that there are 37 accounts on the delinquent list. Ms. Dolan stated that the accounts will be tagged on December 26, 2018 and are scheduled to be turned off on January 10, 2019.

Ms. Dolan requested the Board's approval to send four accounts to collections in the aggregate amount of \$261.58. Discussion ensued.

Ms. Dolan reviewed the call log with the 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 Operator's Report, to terminate the delinquent accounts in accordance with the rate order, and authorize sending four accounts to collections in the aggregate amount of \$261.58.

7. **Report on Joint Operations Council ("JOC").** There was no report.

8. **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 reported on the Sanitary Sewer Rehabilitation for Chappell Ridge Section One and Garden Grove Section One is complete. He presented Final Pay Estimate No. 4 in the amount of \$27,590.90, which was approved in the Bookkeeper's Report.

Mr. Swanson reviewed with the Board a Summary of Cleaning and Televising for the remaining sections within the District, a copy of which is attached to the Engineer's Report. He stated sections have been grouped together based on the age of the facilities and is estimated to cost \$20,000 to \$30,000 per round of televising. 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 Engineer's Report, and authorize televising by Section every 6 months.

9. **Review Investment Policy.** Mr. Millas reviewed with the Board a Resolution Reviewing Investment Policy, a copy of which is attached hereto as Exhibit "F." Mr. Millas stated the District is required to review its investment policy annually and NRF does not recommend any changes. 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 Resolution Reviewing Investment Policy.

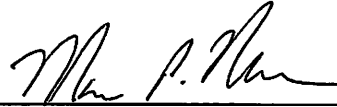
10. **Other Consultant Reports.** There was no report.

11. **Next meeting date (January 23, 2019).** The Board set a tentative meeting date of January 23, 2019, 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 January 23, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

