

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 432

Minutes of Meeting of Board of Directors

October 19, 2021

The Board of Directors (“Board”) of Harris County Municipal Utility District No. 432 (“District”) met at their regular meeting place on October 19, 2021, in accordance with the duly posted notice of said meeting, with a quorum of directors present as follows:

Ken Suminski, President
Dianne D. Migl, Secretary
Jeffrey Zarse, Director

and the following absent:

Janet LaCorte, Assistant Secretary

Also present were J. Ron Young and John Young of Young & Brooks, Demetra Berry with McLennan & Associates, L.P., Lina Loaiza of Bob Leared Interests, Greg Dubiel of Municipal Operations & Consulting, Inc., Justin Wagner of R.G. Miller Engineers, Ltd., Andrew Rue of Woodmere Development Co., Mark Eyring of Mark C. Eyring, CPA, PLLC, and David Smalling of Robert W. Baird & Co.

The President called the meeting to order and declared it open for such business as may come before the board.

The board approved the minutes of the Board meeting held on September 21, 2021.

Demetra Berry reported as to bookkeeping matters in the District.

Lina Loaiza reported as to the status of tax collections in the District. The District is 99.3% collected for 2020. The board approved waving penalty and interest for seven lots belonging to the developer due to an administrative error.

Greg Dubiel reported as to operational matters in the District. There are 1,523 connections in the District.

Justin Wagner reported as to engineering matters in the District. The board approved Pay Estimate No. 1 from Fellars & Clark for \$782,008.29.

Stephanie Lee discussed the landscape architect report.

Andrew Rue discussed the status of development in the District.

President Suminski announced that one purpose of this board meeting is to conduct a public hearing on the District’s proposed tax rate for 2021. The board noted that the District tax

assessor has published the required notice for the public hearing and that the public hearing is also noted on the agenda for this board meeting. The board reviewed discussions at the previous meeting leading to the proposed tax rate as reflected in the published notice. President Suminski then declared the public hearing open and invited questions and comments from the public. There were no questions or comments from the public. There being no members of the public in attendance, the public hearing was closed. The board then considered the attached Order Establishing Ad Valorem Tax Rate for 2021, which was reviewed by the board, passed, and adopted upon motion duly made, seconded and unanimously carried. The board was also presented with an Amendment to District Information Form reflecting the new tax rate, which was reviewed and approved upon motion duly made, seconded, and unanimously carried.

The presiding officer announced that bids would be received at this time for sale of the district's proposed \$2,480,000 Bond Anticipation Note, Series 2021. There was presented two bids for the note, including that of Zions Bancorporation, N.A., priced to yield a net effective interest rate of 1.01%. The bids were carefully considered by the board. David Smalling of Robert W. Baird & Co., the District's financial advisors, recommended that the bid of Zions Bancorporation, N.A., be accepted as it produces the lowest net effective interest rate to the district. Based upon this recommendation and advice, it was moved and seconded that the board and district accept the bid of Zions Bancorporation, N.A. The motion was carried by three votes.

There was presented to the meeting the attached Order authorizing the district's Bond Anticipation Note, Series 2021, and awarding the sale of same to Zions Bancorporation, N.A., which order incorporated the terms of the low bid just accepted by the board. After discussion, upon motion duly made, seconded and carried by three votes, said order was passed and adopted, and the president and secretary were authorized to sign same on behalf of the district.

The board was presented with the Bond Anticipation Note for execution. The board authorized its president and secretary to execute the Bond Anticipation Note in duplicate.

Upon motion duly made, seconded and unanimously carried, the board further authorized its officers to execute the numerous documents and letter presented to the board in connection with the issuance of the Series 2021 Bond Anticipation Note, and to execute any further documents and take all necessary actions for the timely issuance and delivery of the Series 2021 Bond Anticipation Note. The board also authorized Robert W. Baird & Co., and Young &

Brooks, in their respective capacities, to finalize matters concerning the issuance, delivery, and funding of the Series 2021 Bond Anticipation Note.

Mark Eyring presented the audit for the fiscal year ending May 31, 2021. After discussion upon motion duly made, seconded and unanimously adopted, the board approved the audit for the fiscal year ending May 31, 2021.

The board unanimously approved an engagement letter with Arbitrage Compliance.

The board unanimously approved all of the Consultant's reports.

There was presented to the board a list of bills for the approval of payment, a copy of which is attached hereto. After discussion, upon motion duly made, seconded and unanimously carried, the board approved said bills and ordered checks to be issued on the appropriate accounts of the District in payment thereof.

There being no further business to come before the board, the meeting was duly adjourned.

Secretary, Board of Directors