

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 321

March 22, 2022

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 321 (the "District") met in regular session, open to the public, on March 22, 2022, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Kimberly Butler	President
Jeff Stein	Vice President
John Vassar	Assistant Vice President
Brad Beauchamp	Secretary
Matthew May	Assistant Secretary

and all of the above were present except Director May, thus constituting a quorum.

Also present at the meeting were: Mike Terechenok and Ashley Bird of Pinto Realty Development, Inc.; Drew Tiffany of BGE, Inc. ("BGE"); Karrie Kay of Myrtle Cruz, Inc.; Rich Rankin of H2O Innovation; Kristen Scott of Bob Leared Interests ("Bob Leared"); and Robert A. Seale, Paul Harle, and Sandra Staine of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the February 15, 2022, regular meeting. After review and discussion, Director Beauchamp moved to approve the minutes as presented. Director Stein seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Kay reviewed the bookkeeper's report, including the investment report and list of checks presented for payment, a copy of which is attached. Following review and discussion, Director Beauchamp moved to approve the bookkeeper's report and payment of the bills. Director Stein seconded the motion, which passed by unanimous vote.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Scott reviewed the tax assessor/collector's report, a copy of which is attached. She stated that the District's 2021 taxes were 98.4% collected as of February 28, 2022. After review and discussion, Director Beauchamp moved to approve the tax assessor/collector's report and the checks presented for payment. Director Stein seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT

Mr. Rankin reviewed the operator's report for February, a copy of which is attached, and discussed operational matters in the District. He stated water accountability for the previous month was 95.42%.

After review and discussion, Director Beauchamp moved to approve the operator's report. Director Stein seconded the motion, which passed by unanimous vote.

HEARING ON TERMINATION OF SERVICE

There were no accounts to consider for termination of utility service.

REVIEW CRITICAL LOAD SPREADSHEET FOR DISTRICT FACILITIES AND AUTHORIZE ANNUAL FILING

The Board reviewed the District's critical load spreadsheet, which had been previously provided to the District's operator, engineer, and bookkeeper for review. A copy of the critical load spreadsheet is attached. Mr. Seale noted that the critical load information on the District's facilities is required to be reviewed at least annually and provided to certain entities, which include the District's electricity provider, the Public Utility Commission, and other governmental entities. After review and discussion, Director Beauchamp made a motion to approve the critical load spreadsheet, authorize providing it to the appropriate entities, and direct that a copy be retained in the District's official records. Director Stein seconded the motion, which carried by unanimous vote.

REVIEW EMERGENCY PREPAREDNESS PLAN AND AUTHORIZE FILING OF UPDATES, IF NECESSARY

Mr. Tiffany discussed the District's Emergency Preparedness Plan and requirements to file any updates with the Texas Commission on Environmental Quality ("TCEQ"). Mr. Seale said the District is required to update the personnel and contact information listed in the EPP and submit the updated pages to the TCEQ and other required entities. After discussion, Director Beauchamp moved to authorize BGE to

update the necessary personnel and contact information and submit the updated pages to all required entities. Director Stein seconded the motion, which passed unanimously.

APPROVE ANNUAL REPORT ON WATER CONSERVATION PLAN

Mr. Rankin reviewed an annual report on the Water Conservation Plan. After review and discussion, Director Beauchamp made a motion to approve the annual report on the Water Conservation Plan. Director Stein seconded the motion, which carried by unanimous vote.

CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board conducted the annual review of the Drought Contingency Plan. Discussion ensued. Mr. Rankin noted that there are no recommended changes to the District's Drought Contingency Plan at this time.

CITY OF HOUSTON INDUSTRIAL USER PERMITTING MATTERS

Mr. Seale and Ms. Staine updated the Board on industrial user permitting matters.

MAINTENANCE OF DETENTION PONDS AND DISTRICT FACILITY SITES, INCLUDING PROPOSALS FOR ADDITIONAL WORK

The Board reviewed the report on the maintenance of detention ponds and District facility sites, a copy of which is attached. The Board next reviewed an amended annual maintenance budget for the maintenance of detention ponds and District facility sites and a proposal for a sinkhole repair. Following review and discussion, Director Beauchamp moved to (1) approve the report on the maintenance of detention ponds and District facility sites; (2) approve the amended annual maintenance budget for the maintenance of detention ponds and District facility sites; and (3) approve the proposal for the sinkhole repair. Director Stein seconded the motion, which passed by unanimous vote.

DEVELOPMENT MATTERS

Mr. Terechenok updated the Board on development matters in the District.

ENGINEER'S REPORT

Mr. Tiffany reviewed the engineer's report, a copy of which is attached.

Mr. Tiffany updated the Board on the construction of a 12-inch water line along Ella Boulevard. He reviewed and recommended approval of Change Order No. 2 to the contract with Precise Services, Inc. ("Precise Services") to increase the contract in the

amount of \$16,062.89, for final adjustments to the contract amount. The Board determined that Change Order No. 2 is beneficial to the District. Mr. Tiffany next reviewed and recommended approval of Pay Estimate No. 6 and Final, in the amount of \$153,682.86, payable to Precise Services, and recommended final acceptance of the project.

Mr. Tiffany updated the Board on the construction of the Traffic Signal at Greens Crossing Boulevard and Fallbrook Drive.

Mr. Tiffany stated that bids were received for construction of drainage and paving for Fallbrook Drive Street Dedication, Section 2. He recommended that the Board award the contract to WadeCon, LLC ("WadeCon") in the amount of \$2,238,280.00. The Board concurred that, in its judgment, WadeCon was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Tiffany updated the Board on the construction of water well no. 3.

Mr. Tiffany updated the Board on the construction of water well no. 3 water line extension and stated that this project is being designed.

Mr. Tiffany updated the Board on the construction of lift station no. 1 rehabilitation. He updated the Board on the proposed timeline of the issuance of the Notice to Proceed.

Mr. Tiffany updated the Board on the status of the Greens Crossing Drainage System ATLAS 14 Analysis. He stated that the drainage analysis has been submitted to Harris County Flood Control for review and approval. He added that in order to comply with the ATLAS 14 criteria for new development, the east basin will need to be expanded to provide additional drainage capacity.

Mr. Tiffany updated the Board on the 2022 Capital Improvement Plan facility improvements.

Mr. Tiffany reviewed the following proposals submitted by BGE for the Board's consideration: (i) a proposal in the amount of \$61,325.00, for the construction phase services to be performed under drainage and paving for Fallbrook Drive Street Dedication, Section 2 project; (ii) a proposal in the amount of \$148,500.00, for design and construction phase services for Greens Crossing Detention Basin Expansion project; (iii) a proposal in the amount of \$20,000.00, for additional phase services for Greens Crossing Detention Basin Expansion project; and (iv) a proposal in the amount of \$21,800.00, for platting services to be performed under Greens Crossing Detention Basin Expansion project.

Mr. Tiffany updated the Board on the preparation of bond application no. 10, noting that the application had been submitted to the Texas Commission on Environmental Quality.

After review and discussion, Director Beauchamp moved to (1) approve the engineer's report; (2) (i) approve Change Order No. 2 in the amount of \$16,062.89 as an increase to the contract with Precise Services, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation, (ii) approve Pay Estimate No. 6 and Final, in the amount of \$153,682.86, payable to Precise Services, for the construction of a 12-inch water line along Ella Boulevard, and (iii) based on the recommendation of the engineer, accept the project; (3) award the contract for the construction of drainage and paving for Fallbrook Drive Street Dedication, Section 2, to WadeCon, in the amount of \$2,238,280.00, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; and (4) approve and authorize execution of (i) the proposal in the amount of \$61,325.00, for the construction phase services to be performed under drainage and paving for Fallbrook Drive Street Dedication, Section 2 project; (ii) the proposal in the amount of \$148,500.00, for design and construction phase services for Greens Crossing Detention Basin Expansion project; (iii) the proposal in the amount of \$20,000.00, for additional phase services for Greens Crossing Detention Basin Expansion project; and (iv) a proposal in the amount of \$21,800.00, for platting services to be performed under Greens Crossing Detention Basin Expansion project. Director Stein seconded the motion, which carried unanimously.

CAPITAL BUDGETS, LETTER FINANCING AGREEMENTS, SITE DEVELOPMENT AGREEMENTS, AND INFRASTRUCTURE WORK LETTER AGREEMENTS

The Board did not take any action on this agenda item.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME

Mr. Seale stated that the District's annual report for fiscal year ended September 30, 2021, is required to be filed in accordance with the District's Continuing Disclosure Agreements for its outstanding bond issues and pursuant to SEC Rule 15c2-12 by March 31, 2022. Following discussion, Director Beauchamp moved to approve and authorize filing of the District's annual report for fiscal year ended September 30, 2021, as required. Director Stein seconded the motion, which was approved by unanimous vote.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Mr. Seale stated that no changes are required at this time.

2022 DIRECTORS ELECTION

Mr. Seale discussed procedures related to the 2022 Directors Election. He presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board executed by the Board Secretary stating that the District received two candidate applications for the two director positions for the May 7, 2022 Directors Election. Following review and discussion, Director Beauchamp moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board. Director Stein seconded the motion, which passed unanimously.

Mr. Seale presented and reviewed with the Board an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 7, 2022 Directors Election is cancelled and that the unopposed candidates, Jeff Stein and Brad Beauchamp, are declared elected to office to serve from May 7, 2022, until the directors election on May 2, 2026, or until their successors have been duly elected or appointed and have qualified. Following review and discussion, Director Beauchamp moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office. Director Stein seconded the motion, which passed unanimously.

Mr. Seale stated that the contract with Harris County (the "County") would need to be cancelled and requested authorization to do same. Following review and discussion, Director Beauchamp moved to authorize cancellation of County contract for election services. Director Stein seconded the motion, which passed unanimously.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold its next regular meeting on April 19, 2022, at 11:00 a.m., at the offices of ABHR.

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



A handwritten signature in blue ink, appearing to be 'MSJ', is written above a horizontal line.

Secretary, Board of Directors

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