

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 321

July 19, 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 July 19, 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 Stein, thus constituting a quorum.

Also present at the meeting were: Terrell Palmer of Post Oak Municipal Advisors ("POMA"); Mike Scott of Champions Hydro-Lawn ("Champions"); Mike Terechenok of Pinto Realty Development, Inc.; Drew Tiffany of BGE, Inc. ("BGE"); Marissa Iguess of Myrtle Cruz, Inc.; Rich Rankin of H2O Innovation; Kristen Scott of Bob Leared Interests ("Bob Leared"); and Robert A. Seale, Sandra Staine, Alex Manautou, and Alyssa Ollwerther of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the June 21, 2022, regular meeting. After review and discussion, Director Beauchamp moved to approve the minutes as presented. Director May seconded the motion, which passed by unanimous vote.

SERIES 2022 UNLIMITED TAX PARK BONDS

The Board considered matters pertaining to the District's issuance of its \$4,760,000 Unlimited Tax Park Bonds, Series 2022 (the "Series 2022 Park Bonds"), including the following items:

REVIEW BIDS AND AWARD SALES OF THE BONDS

Mr. Palmer reviewed with the Board the bids received for the Series 2022 Park Bonds, noting that four bids were submitted:

- (a) Raymond James & Associates Inc. ("Raymond James") with a net effective interest rate of 4.090667%;
- (b) Robert W. Baird & Co., Inc. with a net effective interest rate of 4.100317%
- (c) SAMCO Capital Markets, with a net effective interest rate of 4.132550%; and
- (d) HilltopSecurities, with a net effective interest rate of 4.264864%.

Mr. Palmer stated that the bids had been verified and that the low bid was submitted by Raymond James, with a net effective interest rate 4.090667%. He recommended that the Board accept the bid by Raymond James as submitted. Based on Mr. Palmer's recommendation, Director Beauchamp then moved to award the sale of the Series 2022 Park Bonds to Raymond James, with a net effective interest rate 4.090667%. Director May seconded the motion, which was approved by unanimous vote.

In connection with the sale of the Series 2022 Park Bonds, Mr. Seale noted that correspondence related to the increase in approved interest rate will be submitted to the Texas Commission on Environmental Quality ("TCEQ") along with a revised cash flow demonstrating the actual debt service for the Series 2022 Park Bonds and the District's outstanding debt, and added that no increase in bond amount or change in the TCEQ approved tax rate is required pursuant to 30 T.A.C. § 293.85(a).

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE BONDS

The Board next considered adopting the Resolution Authorizing the Issuance of the Bonds (the "Resolution"). Mr. Seale reviewed the Resolution with the Board and explained that the document sets forth, among other items, the terms and provisions of issuance and delivery of the Bonds, the payments of principal and interest over the life of the Bonds, and certain District covenants regarding the tax-exempt status of the Bonds. After review, Director Beauchamp moved to adopt the Resolution. Director May seconded the motion, which was approved by unanimous vote.

APPROVE PAYING AGENT/REGISTRAR AGREEMENT

Mr. Seale reviewed the Paying Agent/Registrar Agreement with the Board. After review, Director Beauchamp moved to approve the Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A. Director May seconded the motion, which passed unanimously.

APPROVE OFFICIAL STATEMENT

The Board next considered approving the Official Statement for the Bonds. Mr. Seale explained that the Preliminary Official Statement will be updated to reflect the terms of the sales, including the purchasers, interest rates, and debt service requirements. Director Beauchamp then moved to approve the Official Statement. Director May seconded the motion, which passed by unanimous vote.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Mr. Seale presented and reviewed with the Board Certificate Regarding Provision of Financial Advice (the "Certificate"). After review and discussion, Director Beauchamp moved to authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records. Director May seconded the motion, which passed by unanimous vote.

AUTHORIZE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BOND SALES, AND AUTHORIZE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BONDS TO PURCHASERS

The Board next considered authorizing the Board of Directors to sign all documents relating to the sale of the Bonds and authorizing the attorney and the financial advisor to take all necessary steps to deliver the Bonds to the purchasers. After discussion, Director Beauchamp moved to authorize the Board of Directors to sign all documents relating to the sale of the Bonds and authorize ABHR and POMA to take all necessary steps to deliver the Bonds to the purchasers. Director May seconded the motion, which was approved by unanimous vote.

APPROVE PAYMENT TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEWS

Mr. Seale stated that it will be necessary for the District to submit payment to the Attorney General of Texas relating to the bond issue transcript review.

Following review and discussion, Director Beauchamp moved to approve payment in the amounts of \$4,760.00, for the Series 2022 Park Bonds to the Attorney General of Texas relating to the bond issue transcripts reviews. Director May seconded the motion, which passed by unanimous vote.

AMENDMENT TO INFORMATION FORM

Mr. Seale stated that the District's Information Form must be amended to reflect the updated total amount of bonds sold by the District. He then reviewed the Amendment to Information Form with the Board. After review and discussion, Director Beauchamp moved to authorize execution of the Amendment to Information Form and direct that the Amendment be filed appropriately and retained in the District's official records. Director May seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Iguess 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, including the additional check presented. Director May seconded the motion, which passed by unanimous vote.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2023

Ms. Iguess reviewed a proposed budget for fiscal year end September 30, 2023, a copy of which is included in the bookkeeper's report. The Board concurred to consider adoption of the budget at the next regular meeting.

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 99.3% collected as of June 30, 2022. After review and discussion, Director Beauchamp moved to approve the tax assessor/collector's report and the checks presented for payment. Director May seconded the motion, which passed by unanimous vote.

RESOLUTION REGARDING DEVELOPMENT STATUS FOR TAX YEAR 2022

The Board generally discussed the District's 2022 tax rate. Mr. Seale discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. He reviewed the definitions for each of the three categories and said the Board must

annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2022 tax year.

Following review and discussion, Director Beauchamp moved to adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developing district for the 2022 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director May seconded the motion, which passed unanimously.

OPERATOR'S REPORT

Mr. Rankin reviewed the operator's report for June, 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 May seconded the motion, which passed by unanimous vote.

HEARING ON TERMINATION OF SERVICE

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

EMERGENCY PREPAREDNESS PLAN

In connection with emergency preparedness planning measures in advance of hurricane season, Mr. Rankin reviewed a proposal for renting or purchasing storage fuel tanks, noting that he recommends obtaining three tanks – two tanks to be located at the water plant and one tank at the lift station – from August through November 2022. Following review and discussion, Director Beauchamp moved to approve the rental of the recommended three 4,000-gallon fuel storage tanks, for four months, in the total amount of \$18,000.00 for both the District and Harris County Municipal Utility District No. 406 ("MUD 406"), \$9,000 of which will be the District's cost, subject to approval by MUD 406. Director May seconded the motion, which passed unanimously.

THE CITY INDUSTRIAL USER PERMITTING MATTERS

Ms. Staine updated the Board on the Board on industrial user permitting matters.

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

Mr. Scott reviewed the report on the maintenance of detention ponds and District facility sites, a copy of which is attached.

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 and status of power to the Traffic Signal at Greens Crossing Boulevard and Fallbrook Drive.

Mr. Tiffany updated the Board on the construction of the drainage and paving for Fallbrook Drive Street Dedication, Section 2.

Mr. Tiffany updated the Board on the status of the Greens Crossing Detention Basin Expansion, noting that BGE is still reviewing the bids received for 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.

Mr. Tiffany updated the Board on the status of the Greens Crossing Drainage System ATLAS 14 Analysis.

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

After review and discussion, Director Beauchamp moved to approve the engineer's report. Director May seconded the motion, which carried unanimously.

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

Mr. Seale updated the Board on the right to purchase an additional 66 million gallons of water per month from the City, with the District and MUD 406 receiving impact fee credits for the costs of designing and constructing the two water wells, noting that the City has received payment in the amount of \$10,488,136.27 and supplemental documentation for same.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold its next regular meeting on August 16, 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.




Secretary, Board of Directors

LIST OF ATTACHMENTS

	Minutes
	<u>Page</u>
Bookkeeper's report.....	4
Tax assessor/collector's report	4
Operator's report.....	5
Report on maintenance of detention ponds and District facility sites	6
Engineer's report.....	6