

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 321

September 20, 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 September 20, 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 Directors Vassar and May, thus constituting a quorum.

Also present at the meeting were: Terrell Palmer of Post Oak Municipal Advisors ("POMA"); Wendy Ramirez of Forvis, LLP ("Forvis"); Mike Scott of Champions Hydro-Lawn ("Champions"); Drew Tiffany of BGE, Inc. ("BGE"); Marissa Iguess of Myrtle Cruz, Inc.; Mike Terechenok of Pinto Realty Development, Inc. ("PRDI"); Rich Rankin and Brenda Landin of H2O Innovation; Kristen Scott of Bob Leared Interests ("Bob Leared"); and Robert A. Seale, Sandra Staine, 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 August 16, 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.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2022

Ms. Ramirez reviewed with the Board an engagement letter from Forvis to perform the District's audit for the fiscal year ending September 30, 2022. Following review and discussion, Director Beauchamp moved to engage Forvis to perform the

audit for the District's fiscal year ending September 30, 2022, authorize execution of the engagement letter, and direct that the engagement letter be filed appropriately and retained in the District's official records. Director Stein seconded the motion, which passed by unanimous vote.

ARBITRAGE REBATE REPORT FOR THE SERIES 2017 BONDS

Mr. Seale reviewed the Arbitrage Rebate Report for the Series 2017 Bonds and stated that no arbitrage rebate is due to the United States Treasury Department.

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. 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 99.4% collected as of August 31, 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 August, a copy of which is attached, and discussed operational matters in the District. He stated water accountability for the previous month was 99.21%.

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.

THE CITY INDUSTRIAL USER PERMITTING MATTERS

There were no updates on industrial user permitting matters this month.

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.

TAX RATE DISCUSSION

The Board considered the District's 2022 tax rate. Mr. Palmer distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2022 water, sewer, and drainage debt service tax rate of \$0.56 per \$100 of assessed valuation and a 2022 road debt service tax rate of \$0.10. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Seale discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Beauchamp moved to: (1) set the public hearing date for October 18, 2022, at 11:00 a.m.; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 18, 2022, at 11:00 a.m. at the offices of ABHR, to set the proposed 2022 total tax rate of \$0.93 per \$100 of assessed valuation, with \$0.56 allocated for debt service on water, sewer, and drainage bonds, \$0.10 allocated for debt service on road improvement bonds, and \$0.27 allocated for operations and maintenance. Director Stein seconded the motion, which passed unanimously.

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 construction of lift station no. 1 rehabilitation.

Mr. Tiffany updated the Board on the construction of Greens Crossing Detention Basin Expansion. He reviewed and recommended approval of the following proposals: (i) a proposal for stormwater pollution prevention plan (SWPPP) services, in the amount of \$20,794.00, submitted by Storm Water Solutions ("SWS"), and (ii) a proposal

for construction materials observations and testing services, in the amount of \$48,741.00, submitted by Raba Kistner Consultants, Inc. ("Raba Kistner").

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 2022 Capital Improvement Plan facility improvements.

Mr. Tiffany requested authorization for BGE to begin preparation of bond application no. 11.

In connection with the water well no. 3 water line extension project, Mr. Seale reviewed a water line easement granted by the District to Harris County Municipal Utility District No. 406 ("MUD 406"). Mr. Seale then reviewed with the Board a conflict waiver letter, confirming that the Board has authorized ABHR to represent both the District and MUD 406 with regard to this matter.

After review and discussion, Director Beauchamp moved to (1) approve the engineer's report; (2) approve the proposal for SWPPP services submitted by SWS, in the amount of \$20,794.00, and approve the proposal for construction materials observations and testing services submitted by Raba Kistner, in the amount of \$48,741.00, for the construction of Greens Crossing Detention Basin Expansion; (3) authorize BGE to begin preparation of bond application no. 11; (4) approve and authorize execution of the Water Line Easement granted to MUD 406; and (5) approve and authorize execution of the conflict waiver letter in connection with preparation of the Water Line Easement granted to MUD 406. 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.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold its next regular meeting on October 18, 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.



Vice President  Secretary, Board of Directors

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