

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 321

March 21, 2023

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 the 21<sup>st</sup> day of March, 2023, 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 May and Vassar, thus constituting a quorum.

Also present at the meeting were: Mike Terechenok of Pinto Realty Development, Inc. ("PRDI"); Mike Scott of Champions Hydro-Lawn ("Champions"); Drew Tiffany of BGE, Inc. ("BGE"); Marissa Iguess of Myrtle Cruz, Inc.; Howard Wilhite of H2O Innovation; Kristen Scott of Bob Leared Interests ("BLE"); and Robert A. Seale 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 February 21, 2023, 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.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT PRIVATE CONSULTATION WITH ATTORNEYS

The Board convened in executive session at 11:44 a.m. to conduct a private consultation with its attorney on a confidential matter.

## RECONVENE IN OPEN SESSION

The Board reconvened in open session at 12:19 p.m. Following discussion, Director Beauchamp moved to authorize Munsch Hardt Kopf & Harr, P.C. to proceed with sending a demand letter and settlement offer as discussed. Director Stein 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. She noted that check no. 1303, payment for Payment Estimate No. 4 in the amount of \$68,895, payable to PLD Construction, has been reimbursed by PRDI. She presented one additional check for the Board's consideration: check no. 1304 made out to Harris County Municipal Utility District No. 406 ("MUD 406") in the amount of \$1,797,012.90, for joint facilities matters. Mr. Seale discussed same with the Board. Following review and discussion, Director Beauchamp moved to approve the bookkeeper's report and payment of the bills, including the additional check to MUD 406. 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 2022 taxes were 98.7% collected as of February 28, 2023. She requested Board input as to whether the Board would approve an updated aerial photo of the District and MUD 406 property. After review and discussion, Director Beauchamp moved to (1) approve the tax assessor/collector's report and the checks presented for payment; and (2) authorize BLI to obtain an updated aerial photo, noting that the cost will be split with MUD 406. Director Stein seconded the motion, which passed by unanimous vote.

## OPERATOR'S REPORT

Mr. Wilhite 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 97.05%.

Mr. Wilhite updated the Board on recent communication with the Texas Commission on Environmental Quality ("TCEQ") related to requested reports on daily usage of water and sewer meters in the District.

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.

## APPROVE ANNUAL REPORT ON WATER CONSERVATION PLAN

Mr. Wilhite 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. Wilhite noted that there are no recommended changes to the District's Drought Contingency Plan at this time.

## 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 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.

## 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.

## THE CITY INDUSTRIAL USER PERMITTING MATTERS

There was no update on this agenda item 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. After review and discussion, Director Beauchamp moved to approve the report on the maintenance of detention ponds and District facility sites. Director Stein seconded the motion, which passed by unanimous vote.

## DEVELOPMENT MATTERS

Mr. Terechenok reported 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. He reviewed and recommended approval of Pay Estimate No. 5, in the amount of \$12,606.43 payable to CityLynx, Inc. ("CityLynx").

Mr. Tiffany updated the Board on the construction of the drainage and paving for Fallbrook Drive Street Dedication, Section 2. He reviewed and recommended approval of Pay Estimate No. 8, in the amount of \$44,893.80 payable to WadeCon, LLC ("WadeCon").

Mr. Tiffany updated the Board on the construction of lift station no. 1 rehabilitation. He reviewed and recommended approval of Pay Estimate No. 3, in the amount of \$5,850.00, payable to T&G Services ("T&G").

Mr. Tiffany updated the Board on the construction of Greens Crossing Detention Basin Expansion. He reviewed and recommended approval of Pay Estimate No. 4, in the amount of \$68,895.00, payable to PLD Construction ("PLD").

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 2023 Capital Improvement Plan facility improvements and coordination with H2O on same. Mr. Tiffany noted that BGE will defer any action on expanding the driveway to water well no. 2.

Mr. Tiffany updated the Board on bond application no. 11.

After review and discussion, Director Beauchamp moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 5, in the amount of \$12,606.43 payable to CityLynx, for the construction of power to the Traffic Signal at Greens Crossing Boulevard and Fallbrook Drive; (3) approve Pay Estimate No. 8, in the amount of \$44,893.80, payable to WadeCon, for the construction of the drainage and paving to serve Fallbrook Drive Street Dedication, Section 2; (4) approve Pay Estimate No. 3, in the amount of \$5,850.00, payable to T&G, for the construction of lift station no. 1 rehabilitation; and (5) approve Pay Estimate No. 4, in the amount of \$68,895.00, payable to PLD, for the construction of Greens Crossing Detention Basin Expansion. 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, 2022, 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, 2023. Following discussion, Director Beauchamp moved to approve and authorize filing of the District's annual report for fiscal year ended September 30, 2022, as required. Director Stein seconded the motion, which was approved by unanimous vote.

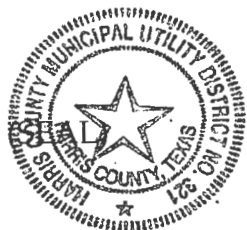
ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

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

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold its next regular meeting on April 18, 2023, at 11:00 a.m., at the offices of ABHR.

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



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Secretary, Board of Directors

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