

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 321

September 19, 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 19<sup>th</sup> day of September, 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: Francine Stefan of Post Oak Municipal Advisors ("POMA"); Wendy Ramirez of Forvis, LLP ("Forvis"); Mike Terechenok of Pinto Realty Development, Inc. ("PRDI"); Chip Patronella of Champions Hydro-Lawn ("Champions"); Drew Tiffany of BGE, Inc. ("BGE"); Marissa Iguess of Myrtle Cruz, Inc. ("MCI"); Howard Wilhite and JQ Reno of H2O Innovation; Kristen Scott of Bob Leared Interests ("BLI"); 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 15, 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.

UPDATE FROM ENGINEER ON TEXAS COMMISSION ON ENVIRONMENTAL QUALITY INSPECTION OF FACILITIES

Mr. Tiffany reported that all facilities included in the bond application have been inspected and approved by the Texas Commission on Environmental Quality (TCEQ).

DEVELOPER REIMBURSEMENT REPORT FOR SERIES 2023 UNLIMITED TAX BONDS

Ms. Ramirez reviewed a developer reimbursement report for the Series 2023 Unlimited Tax bonds. After review and discussion, Director Beauchamp moved to approve the developer reimbursement report and authorize disbursement of funds. Director Stein seconded the motion, which carried unanimously.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2023

Ms. Ramirez reviewed with the Board an engagement letter from Forvis to perform the District's audit for the fiscal year ending September 30, 2023. Following review and discussion, Director Beauchamp moved to engage Forvis to perform the audit for the District's fiscal year ending September 30, 2023, 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.

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 reviewed three additional checks with the Board: (1) check no. 1004, in the amount of \$5,000.00, payable to Myrtle Cruz, Inc.; (2) check no. 1005, in the amount of \$2,500.00, payable to BLI; and (3) check no. 1006, for Pay Estimate No. 10 and Final, in the amount of \$169,824.95, payable to PLD Construction, LLC ("PLD"), noting that this amount has been advanced by PRDI. Following review and discussion, Director Beauchamp moved to approve the bookkeeper's report and payment of the bills, including the three additional checks. Director Stein seconded the motion, which passed by unanimous vote.

REVIEW JOINT FACILITIES BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024

The Board reviewed a proposed budget for the operation and maintenance of joint facilities for the fiscal year end September 30, 2024, pursuant to the Joint Facilities Agreement between the District and Harris County Municipal Utility District No. 406 ("MUD 406"). A copy of the proposed joint facilities budget is attached.

## BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024

Ms. Iguess reviewed a proposed budget for fiscal year end September 30, 2024, a copy of which is included in the bookkeeper's report. After review and discussion, Director Beauchamp moved to adopt the budget for fiscal year end September 30, 2024. 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 98.8% collected as of August 31, 2023. 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.

## TAX RATE DISCUSSION

The Board considered the District's 2023 tax rate. Ms. Stefan distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2023 water, sewer, and drainage debt service tax rate of \$0.525 per \$100 of assessed valuation and a 2023 road debt service tax rate of \$0.085. 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 17, 2023, at 11:00 a.m.; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 17, 2023, at 11:00 a.m. at the offices of ABHR, to set the proposed 2023 total tax rate of \$0.93 per \$100 of assessed valuation, with \$0.525 allocated for debt service on water, sewer, and drainage bonds, \$0.085 allocated for debt service on road improvement bonds, and \$0.32 allocated for operations and maintenance. Director Stein seconded the motion, which passed unanimously.

## OPERATOR'S REPORT

Mr. Wilhite reaviewed the operator's report, a copy of which is attached, and discussed operational matters in the District. He stated water accountability for the previous month was 95.78%.

Mr. Wilhite reported that notice was sent to District customers regarding the missed bacteriological samples in June 2023, as required by the TCEQ.

After review and discussion, Director Beauchamp 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 OF HOUSTON INDUSTRIAL USER PERMITTING MATTERS

There was no discussion on this agenda item.

## REVIEW PROPOSALS FOR OPERATING SERVICES

The Board reviewed and discussed proposals received for operating services from Municipal District Services, LLC ("MDS") and Si Environmental LLC. Following review and discussion, Director Beauchamp moved to (i) terminate H20, effective October 31, 2023, and (ii) engage MDS as the District's operator effective November 1, 2023. Director Stein seconded the motion, which carried unanimously. The Board thanked H20 for its services to the District and its customers.

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

Mr. Patronella reviewed the report on the maintenance of detention ponds and District facility sites, a copy of which is attached. He reported that two bollards have been damaged by vehicles. Following review and discussion, Director Beauchamp moved to (1) approve the report on the maintenance of detention ponds and District facility sites; and (2) authorize the replacement of the two damaged bollards, in an amount not to exceed \$500.00. Director Stein seconded the motion, which carried unanimously.

## 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 Greens Crossing Detention Basin Expansion. He reviewed and recommended approval of Pay Estimate No. 10 and Final, in the amount of \$169,824.95, payable to PLD. He recommended final acceptance of the project.

Mr. Tiffany updated the Board on the status of water well no. 3, water well no. 3 driveway, and water well no. 3 water line extension projects.

Mr. Tiffany updated the Board on the status of lead and copper rule revision inventory related work.

Mr. Tiffany and Mr. Seale reviewed a Water Meter Easement granted by Gauge North Central Logistics, LLC, to the District, for an industrial warehouse near the northwest corner of West Road and Deer Trail Drive.

After review and discussion, Director Beauchamp moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 10 and Final, in the amount of \$169,824.95, payable to PLD, for the construction of Greens Crossing Detention Basin Expansion, and based on the recommendation of the engineer, accept the project; and (3) accept and authorize execution of the Water Meter Easement. 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 17, 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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