

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 321

January 30, 2024

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 30th day of January, 2024, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, 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 Vassar, thus constituting a quorum.

Also present at the meeting were: Adam Richie of Munsch Hardt Kopf & Harr, P.C.; Karrie Kay of Myrtle Cruz, Inc.; Brian Krueger of FORVIS, LLP; Chip Patronella of Champions Hydro-Lawn ("Champions"); Bailey Caudle and Mike Terechenok of Pinto Realty Development Inc. ("PRDI"); Drew Tiffany of BGE, Inc. ("BGE"); Calvin Browne of Municipal District Services ("MDS"); Kristen Scott of Bob Leared Interests ("BLI"); and Sandra Staine and Alyssa Peruchini of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the December 19, 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.

AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023

Mr. Krueger presented and reviewed a draft audit for the District's fiscal year ended September 30, 2023, including a restatement of the prior year's financials. Following review and discussion, Director Beauchamp made a motion to approve the audit, subject to final attorney review, and direct that it be filed with the Texas

Commission on Environmental Quality and maintained in the District's official records. Director Stein seconded the motion, which carried unanimously.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from Brown & Brown Lone Star Insurance Services ("Brown & Brown") for the renewal of District's insurance policies. Following review and discussion, Director Beauchamp moved to approve the proposal presented by Brown & Brown, for the renewal of the insurance policies and direct that the proposal be filed appropriately and retained in the District's official records. Director Stein seconded the motion, which passed by unanimous vote.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted an annual review of the District's Investment Policy and concurred that no updates were necessary at this time. Following review and discussion, Director Beauchamp moved to adopt a Resolution Regarding Annual Review of Investment Policy reflecting that the current policy will remain in effect and direct that the Resolution be filed appropriately and retained in the District's official records. Director Stein seconded the motion, which passed by unanimous vote.

ACCEPT ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

Ms. Staine stated that in accordance with the District's Investment Policy, Ms. Iguess, as the District's bookkeeper and Ms. Mary Jarmon, as the District's Investment Officer, are required to execute Disclosure Statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the Disclosure Statements will be filed with the Texas Ethics Commission. After review and discussion, Director Beauchamp moved to accept the Disclosure Statements pursuant to the District's Investment Policy and the Public Funds Investment Act and direct that the statements be filed appropriately and retained in the District's official records. Director Stein seconded the motion, which carried unanimously.

REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT STEIN ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Staine reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Following review and discussion, Director May moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District

May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. 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 2023 taxes were 49.3% collected as of December 31, 2023. Following review and discussion, Director Beauchamp moved to approve the tax collection report and payment of the tax bills. Director Stein seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT

Mr. Browne reviewed 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 118.32%. Mr. Browne updated the Board on the maintenance of District facilities.

Mr. Browne distributed and reviewed a backflow survey report and a water plant no. 2 repair summary with the Board.

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 OF HOUSTON INDUSTRIAL USER PERMITTING MATTERS

There was no discussion on this agenda item.

DEVELOPMENT MATTERS

There was no update on development matters.

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 water well no. 3 driveway, water well no. 3, and water well no. 3 water line extension projects.

Mr. Tiffany updates the Board on the District's Capital Improvement Plan.

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

Mr. Tiffany updated the Board on the design status of the water plant no. 1 rehabilitation to ground storage tank nos. 1 and 2 and hydropneumatics tank nos. 1 and 2.

After review and discussion, Director Beauchamp moved to approve the engineer's report. 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.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Staine reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

2024 DIRECTORS ELECTION

Ms. Staine discussed procedures related to the 2024 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors during the 2024 Directors Election Period.

Ms. Staine reported on requirements to file a Notice of Deadline to File Applications for Place on the Ballot for the 2024 Directors Election.

Ms. Staine recommended that the Board authorize notice of exemption for use of electronic voting systems and set pay for election officials to \$18.00 per hour.

Ms. Staine reviewed an Order Calling Directors Election.

Ms. Staine discussed that Notice of Election may be required to be posted or published and provided to the Harris County (the "County") Clerk and Voter Registrar of the County.

Following review and discussion, Director Beauchamp made the following motion: to (1) adopt a Resolution Designating an Agent of the Secretary of the Board during the 2024 Directors Election Period appointing Alyssa Peruchini as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records; (2)

authorize the Secretary's agent to post the Notice of Deadline to File Applications for Place on the Ballot as required; (3) to authorize notice of the exemption for electronic voting systems; (4) set the pay for election officials to \$18.00 per hour; (5) adopt the Order Calling Directors Election; and (6) to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Stein seconded the motion, which passed unanimously.

CONVENE IN EXECUTIVE SESSION TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION OR SEEK AND RECEIVE LEGAL ADVICE

The Board convened in executive session at 12:00 p.m. pursuant to Section 551.071 Texas Government Code, to conduct a private consultation with the attorney. Ms. Staine, Mr. Richie, and Ms. Peruchini were also present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 12:23 p.m. No action was taken by the Board.

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.

In connection with certain reimbursement matters, Ms. Staine noted that payment in the amount of \$70,382.86 will be sent to PRDI, which will be reflected in the February bookkeeping report. She reported that this will be the final payment to the developer for past expenditures, as discussed.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold its next regular meeting on February 20, 2024, 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>
Tax assessor/collector's report	3
Operator's report.....	3
Engineer's report.....	3
Bookkeeper's report.....	5