

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 321

September 17, 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 17th day of September, 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 Olsen	President
Jeff Stein	Vice President
John Vassar	Assistant Vice President
Brad Beauchamp	Secretary
Dane Turner	Assistant Secretary

and all of the above were present, except Director Turner, thus constituting a quorum.

Also present at the meeting were: Misael Flores of Post Oak Municipal Advisors ("POMA"); Wendy Ramirez of Forvis Mazars, LLP ("Forvis"); Marissa Iguess of Myrtle Cruz, Inc.; Chip Patronella of Champions Hydro-Lawn ("Champions"); Drew Tiffany of BGE, Inc. ("BGE"); Calvin Browne of Municipal District Services ("MDS"); Kristen Scott of Bob Leared Interests ("BLI"); and Robert A. Seale, Heather Kelly, 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 August 20, 2024, regular meeting. After review and discussion, Director Beauchamp moved to approve the minutes as presented. Director Vassar seconded the motion, which passed by unanimous vote.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2024

Ms. Ramirez reviewed with the Board an engagement letter from Forvis to perform the District's audit for the fiscal year ending September 30, 2024. Following review and discussion, Director Beauchamp moved to engage Forvis to perform the audit for the District's fiscal year ending September 30, 2024, authorize execution of the engagement letter, and direct that the engagement letter be filed appropriately and

retained in the District's official records. Director Vassar seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Igness 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 for the month of August, a copy of which is attached. She stated that the District's 2023 taxes were 99.7% collected as of August 31, 2024. 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.

TAX RATE DISCUSSION

The Board considered the District's 2024 tax rate. Mr. Flores distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 water, sewer, and drainage debt service tax rate of \$0.485 per \$100 of assessed valuation and a 2024 road debt service tax rate of \$0.065. 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 15, 2024, at 11:00 a.m.; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 15, 2024, at 11:00 a.m. at the offices of ABHR, to set the proposed 2024 total tax rate of \$0.91 per \$100 of assessed valuation, with \$0.485 allocated for debt service on water, sewer, and drainage bonds, \$0.065 allocated for debt service on road improvement bonds, and \$0.36 allocated for operations and maintenance. Director Stein seconded the motion, which passed unanimously.

REVIEW JOINT FACILITIES BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2025

The Board reviewed a proposed budget for the operation and maintenance of joint facilities for the fiscal year end September 30, 2025, 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, 2025

Ms. Iguess reviewed a proposed budget for fiscal year end September 30, 2025, 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, 2025. 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 98.21%. Mr. Browne updated the Board on the maintenance of District facilities and customer account matters.

Mr. Browne reviewed a report on the coordination of MDS and BGE regarding certain improvements to the District's facilities, including work that has been performed and recommendations for certain future improvements. In connection with the District and MUD 406's water plant operations, Mr. Browne noted that MDS will prepare a short presentation at the next Board meeting.

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

The Board conducted a hearing on the termination of utility service. Mr. Browne reported that the residents on the termination list provided to the Board were mailed written notice prior to the meeting in accordance with the District's Rate Order, notifying them of the opportunity to appear before the Board to explain, contest, or correct the utility service bill, and to show reason why utility service should not be terminated for reason of nonpayment. Following review and discussion, Director Beauchamp moved that since the residents on the termination list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with the procedures set forth in the District's Rate Order, as appropriate. Director Stein seconded the motion, which passed unanimously.

THE CITY OF HOUSTON (THE "CITY") INDUSTRIAL USER PERMITTING MATTERS

Mr. Seale updated the Board on certain matters with the City.

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. Following 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 carried 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 water well no. 3 water line extension project.

Mr. Tiffany stated that bids were received for construction of water plant no. 1 rehabilitation to ground storage tank nos. 1 and 2 and hydropneumatic tank nos. 1 and 2. He recommended that the Board award the contract to D & M Tank, LLC ("D&M") in the amount of \$608,836.00. The Board concurred that, in its judgment, D&M was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Tiffany updated the Board on the construction of water well no. 3.

Mr. Tiffany updated the Board on the capital improvement plan for the District, including an update on MUD 406's lift station no. 2 generator addition.

After review and discussion, Director Beauchamp moved to (1) approve the engineer's report; and (2) award the contract for construction of water plant no. 1 rehabilitation to ground storage tank nos. 1 and 2 and hydropneumatic tank nos. 1 and 2 to D&M in the amount of \$608,836.00, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Stein seconded the motion, which carried unanimously.

DEVELOPMENT MATTERS

There was no update on development matters.

ANNEXATION MATTERS

Mr. Tiffany updated the Board on the status of the proposed annexation, noting that BGE is performing the feasibility study for the approximately 17-acre tract.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold its next regular meeting on October 15, 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

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