

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

April 15, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 345 (the "District") met in regular session at the Board's designated meeting place at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, on April 15, 2024, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board of Directors, as follows:

Everett M. Dalton, President
Keith Wright, Vice President
Aaron Pichon, Secretary
David Vinzant, Assistant Secretary
Michael Fitzgerald, Assistant Secretary

and all of said persons were present, with the exception of Director Fitzgerald, thus constituting a quorum.

Also present were Robert Miller and Allen Jenkins of Inframark, LLC ("Inframark"); Kayla Crigger of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett of Pape-Dawson Consulting Engineers, LLC ("Pape-Dawson"); Angela Smith, resident of the District; and Kate Henderson, Linda Knox and Alyssa Kanarr of Schwartz, Page and Harding, L.L.P. ("SPH").

The President called the meeting to order, and declared it open for such business as might regularly come before it.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. The Board recognized Ms. Smith, who addressed the Board regarding the District's May 4, 2024 Directors Election including queries on how the election results will be determined, accessing a list of registered voters for the District, the individuals on the Early Voting Ballot Board and the pay of the election officials. Ms. Henderson advised that she would email Ms. Smith regarding her election questions. Ms. Smith additionally commented on the location in the District for posting notices of its meetings and on West Park Municipal Utility District's ("West Park") conversion to surface water sourcing.

APPROVAL OF MINUTES

As the next order of business, the Board reviewed the minutes of its meeting held on March 18, 2024. After discussion of the minutes presented, Director Vinzant moved

that the minutes of the March 18, 2024, Board meeting be approved, as written. Director Dalton seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Crigger presented to and reviewed with the Board the Bookkeeper's Report dated April 15, 2024, a copy of which is attached hereto as **Exhibit A**, including the disbursements presented for payment from the District's various accounts, a Fund Balance Report, Pledged Securities Report, Actual vs. Budget Comparisons for the District's various accounts, and a Cash Flow Forecast. Following discussion, Director Wright moved that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check no. 11670, which was voided. Director Vinzant seconded the motion, which unanimously carried.

Ms. Crigger asked for the Board's consideration of the District's Certificate of Deposit ("CD") investments and the process with which the Board is to be informed. The Board concurred to stagger CD investments as they mature and asked that MAC bring options to the Board on a monthly basis. The Board then concurred for MAC to purchase two (2) CDs for the general operating funds, subject to the District receiving an interest rate at least 5.25% on each.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Mata presented to and reviewed with the Board the Tax Assessor-Collector's Report dated as of March 31, 2024, including the checks presented for payment, a copy of which is attached hereto as **Exhibit B**. Following review and discussion of the report submitted, it was moved by Director Dalton, seconded by Director Pichon and unanimously carried, that the Tax Assessor-Collector Report dated as of March 31, 2024, be approved, and that the disbursements identified therein be authorized for payment from the District's Tax Account.

DELINQUENT TAX REPORT

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated April 15, 2024, prepared by Perdue, Brandon, Fielder, Collins & Matt, L.L.P. ("Perdue Brandon"), the District's delinquent tax collection attorney, a copy of which is attached hereto as **Exhibit C**. Following discussion, the Board noted that there were no action items associated with the Delinquent Tax Report.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Ms. Henderson advised the Board that the District is authorized, pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to

exceed twenty percent (20%) of the total taxes, penalty and interest due the District on real property taxes that remain delinquent as of July 1 of the year in which they become delinquent. Following discussion, it was moved by Director Wright, seconded by Director Vinzant and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit D**, be adopted by the Board, and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District.

ENGINEER'S REPORT

The Board next considered the Engineer's Report. In connection therewith, Mr. Robinett presented to and reviewed with the Board an Engineering Report dated April 15, 2024, a copy of which is attached hereto as **Exhibit E**. Following discussion, Director Vinzant moved to approve the Engineer's Report, including Pay Estimate No. 3 in the amount of \$90,091.81 from CSE W-Industries, Inc. for the installation of generators at the District's Lift Station Nos. 1 and 2. Director Pichon seconded said motion, which carried unanimously.

Mr. Robinett advised the Board that the generator at the District's Joint Wastewater Treatment Plant is installed, but connection for gas has not yet been completed by CenterPoint Energy. Mr. Robinett further advised that rental generators are still currently in use and that he will reach out to CenterPoint Energy regarding the status of gas service.

ACQUISITION OF PROPERTY OWNED BY SECOND BAPTIST CHURCH FOR A SECOND WATER WELL

Ms. Henderson noted that the Board would discuss the District's possible acquisition of property owned by Second Baptist Church (the "Church") in Closed Session.

OPERATIONS REPORT

Mr. Miller presented to and reviewed with the Board the Operations and Maintenance Report ("Operations Report") for the month of March 2024, a copy of which is attached hereto as **Exhibit F**. In connection therewith, Mr. Miller advised the Board that Lift Pump No. 1 at Lift Station No. 1 is in need of repair or replacement, and presented a proposal from Inframark to repair same in the estimated cost of \$5,166.00 and replace same in the estimated cost of \$12,878.00. He advised that Inframark recommends repair of the Lift Pump and noted that Lift Pump No. 1 is under fifty percent (50%) warranty. Following discussion, Director Dalton moved to authorize Inframark to repair the Lift Pump, as recommended. Director Pichon seconded the motion, which unanimously carried.

Mr. Miller then advised the Board that Inframark and Pape-Dawson have reviewed the District's current Water Conservation Plan and are not recommending any

revisions to such Water Conservation Plan at this time. After discussion on the matter, it was moved by Director Wright, seconded by Director Pichon, and unanimously carried that the District adopt the Resolution Regarding Review of Water Conservation Plan, which is attached hereto as **Exhibit G**.

Ms. Henderson then discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan (the "DCP") not later than May 1, 2024, and every five years thereafter. Mr. Miller advised that Inframark and Pape-Dawson have reviewed the District's current DCP and are not recommending any revisions to such DCP at this time. After discussion on the DCP, Director Wright moved that the District adopt a Resolution Regarding Review of Drought Contingency Plan attached hereto as **Exhibit H**. Director Pichon seconded such motion, which passed unanimously.

The Board next considered authorizing Inframark to prepare the District's Consumer Confidence Report ("CCR") in the format promulgated by the Texas Commission on Environmental Quality ("TCEQ"). In connection therewith, Ms. Henderson advised the Board that, pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the TCEQ, the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2024. After discussion on the matter, Director Wright moved that Inframark be authorized to prepare said CCR for the Board's review and SPH be authorized to review same for compliance with the TCEQ regulatory requirements. Director Pichon seconded said motion, which unanimously carried.

Ms. Henderson next addressed the Board regarding the Supplemental and Emergency Water Supply Contract ("Agreement") with Harris County Municipal Utility District No. 216 ("MUD 216"). She advised that, after discussion with the attorney for MUD 216, the Agreement can be revised to end the current "take-or-pay" function, and to allow the District to utilize the interconnect if it needs to at a cost of \$1.00 per 1,000 gallons. After discussion, Director Pichon moved that SPH be authorized to draft an amendment to the Agreement. Director Vinzant seconded such motion which unanimously carried.

Discussion ensued regarding West Park's conversion to surface water, timing for the District convert to chloramine disinfectant, and the District's other interconnects. After discussion, Director Pichon moved to authorize Pape-Dawson to determine the cost to convert from chlorine disinfectant to chloramine disinfectant to provide the Board with its options with respect to interconnects in connection therewith.

Mr. Miller next presented Inframark's annual report regarding the District's Identity Theft Prevention Program (the "Program") and advised the Board regarding the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the District's business arrangements with other entities, a copy of which is attached to the Operations Report.

Mr. Miller recommended that no changes be made to the District's Program. After discussion on the matter, the Board concurred that no changes were necessary to the Program at this time.

STATUS OF HIKE AND BIKE UNDERPASS ON FRY ROAD BY WILLOW FORK DRAINAGE DISTRICT ("WILLOW FORK")

Ms. Henderson advised that she had nothing new to report to the Board at this time in connection with the status of the installation by Willow Fork of a hike and bike underpass to be located on Fry Road.

AMENDMENT TO DISTRICT RATE ORDER

The Board deferred an amendment to its Rate Order until it receives notice from the City of Houston on its increase in its groundwater reduction plan fees.

SECURITY MATTERS

Discussion ensued regarding security matters throughout the District. In connection therewith, Ms. Henderson presented to and reviewed with the Board a Green Trails Monthly Report dated as of April 2024, and a Harris County Constable Precinct 5 Beat Activity Report for the month of April 2024, copies of which are attached hereto as Exhibit I.

MASS COMMUNICATION MESSAGING SYSTEM; STATUS OF CREATION OF A DISTRICT WEBSITE BY CLASSIC MESSAGING LLC ("CLASSIC")

The Board noted that it had nothing further to discuss with regards to the District's mass communication messaging system or website creation by Classic Messaging.

STATUS OF AUDIT (DUE JUNE 15, 2024)

Ms. Henderson reminded the Board that it previously engaged FORVIS, LLP ("FORVIS") to conduct an audit of the District's financial statements and prepare the District's audit for the fiscal year ended January 31, 2024. In that regard, Ms. Henderson advised the Board that FORVIS is in the process of preparing a draft of the District's audit report and is expected to present same for review and approval by the Board at its next meeting.

AMENDMENT TO THE EMERGENCY AND INTERIM WATER SUPPLY AGREEMENT WITH GREEN TRAILS MUNICIPAL UTILITY DISTRICT ("GREEN TRAILS")

The Board considered an amendment to the Emergency and Interim Water Supply Agreement with the District and Green Trails (the "Emergency Water Supply Agreement"). In connection therewith, Ms. Henderson advised the Board that the

attorney for Green Trails has advised that Green Trails is amendable to revising the Water Supply Agreement to increase the rate for water from \$0.63 to \$1.00 per 1,000 gallons. Following discussion, Mr. Dalton moved to authorize Ms. Henderson to prepare an Agreement to the Emergency Water Supply Agreement and provide same to Green Trails' attorney to review. Mr. Pichon seconded this motion, which unanimously carried. The Board then discussed that the attorney's fees to prepare said Amendment would be split with Green Trails.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Ms. Henderson advised the Board that, in connection with the Board's inquiry at the last Board of Directors meeting, the in-District meeting location is 850 Crescent Green Drive, Houston, Texas. Ms. Henderson further advised the Board that SPH is preparing a memorandum regarding social media posting by Directors due to recent Supreme Court cases holding public officials personally liable for their online statements.

STATUS OF POTENTIAL LITIGATION INVOLVING THE DISTRICT

Ms. Henderson reported that she has not receive an update regarding the status of potential litigation involving the District.

CLOSED SESSION

The President announced at 1:01 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code, Section 551.072. All of those in attendance, with the exception of the Board, Mr. Robinett, Ms. Knox, Ms. Kanarr and Ms. Henderson, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:49 p.m., with the Board, Mr. Robinett, Ms. Knox, Ms. Kanarr and Ms. Henderson in attendance.

Following discussion of matters relative to the possible acquisition of property owned by Second Baptist Church for the drilling of a second water well, Director Dalton moved to authorize SPH to submit an updated offer to Second Baptist Church pursuant to the terms discussed in Closed Session and prepare a Sanitary Control Easement and Special Warranty Deed for the well site and related access.


FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. Mr. Miller requested the Board include an item on next month's agenda to consider amendment to the District's Professional Services Agreement with Inframark. The Board agreed to include such an item on next month's agenda.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Pichon, seconded by Director Wright and unanimously carried, the meeting was adjourned.

Secretary



LIST OF ATTACHMENTS TO MINUTES

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor/Collector Report
- Exhibit C –** Delinquent Tax Report
- Exhibit D –** Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
- Exhibit E –** Engineering Report
- Exhibit F –** Operations Report
- Exhibit G –** Resolution Regarding Review of Water Conservation Plan
- Exhibit H –** Resolution Regarding Review of Drought Contingency Plan
- Exhibit I –** Harris County Constable Report