

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors August 15, 2022

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 August 15, 2022, 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
David Kingma, Secretary
Aaron Pichon, Assistant Secretary
David Vinzant, Assistant Secretary

and all of said persons were present, with the exception of Directors Dalton and Kingma, thus constituting a quorum.

Also present were Allen Jenkins and Robert Miller of Inframark Water Infrastructure Operations ("Inframark"); Yaneth Castillo of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett of Costello Engineers, Inc. ("Costello"); Dominic Cashiola of Classic Messaging LLC ("Classic Messaging"); and Eric Lai and Peyton Ellis of Schwartz, Page and Harding, L.L.P. ("SPH").

The Vice 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 deferred consideration from the public, as no comments were offered.

APPROVAL OF MINUTES

As the next order of business, the Board reviewed the minutes of its meeting held on June 20, 2022. After discussion of the minutes presented, Director Wright moved that the minutes of the June 20, 2022, Board meeting be approved, as written. Director Pichon seconded said motion, which unanimously carried.

QUALIFICATION STATEMENT, OFFICIAL BOND, OATH OF OFFICE, AFFIDAVIT OF CURRENT DIRECTOR AND ELECTION NOT TO DISCLOSE CERTAIN INFORMATION

The Board deferred consideration of the acceptance of a Qualification Statement of Elected Officer, Bond, Oath of Office, Affidavit of Current Director and Election Not to

Disclose Certain Information for Director Dalton, as Director Dalton was not present at the meeting.

DISTRICT REGISTRATION FORM

The Board concurred to defer taking action to approve and authorize the filing of a District Registration Form, as required by the Texas Commission on Environmental Quality ("TCEQ"), until a future Board of Directors meeting at which Director Dalton is in attendance.

LOCAL GOVERNMENT OFFICERS LIST IN CONNECTION WITH CONFLICT OF INTEREST DISCLOSURE REQUIREMENTS

The Board concurred to defer taking action to authorize the preparation and maintenance of a local government officers list in connection with conflict of interest disclosure requirements of the District until a future Board of Directors meeting at which Director Dalton is in attendance.

BOOKKEEPER'S REPORT

Ms. Castillo presented to and reviewed with the Board the Bookkeeper's Report dated August 15, 2022, 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 for July 2022, and a Cash Flow Forecast. Following discussion, Director Vinzant moved that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check nos. 11227 and 11228, which were voided. Director Wright seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Mata presented to and reviewed with the Board the Tax Assessor-Collector's Reports dated as of June 30, 2022, and July 31, 2022, including the checks presented for payment, and a Delinquent Collections Listings dated as of July 31, 2022, copies of which are attached hereto as **Exhibit B**. After noting that the Monthly Check Register as of August 2022 was mistakenly omitted from the Tax Assessor-Collector's Report dated July 31, 2022, Ms. Mata provided the Board with a verbal accounting of the monthly checks as of August 2022. Following review and discussion of the reports submitted, it was duly moved by Director Wright, seconded by Director Vinzant and unanimously carried, that the Tax Assessor-Collector Reports dated as of June 30, 2022, and July 31, 2022, be approved, and that the disbursements identified therein be authorized for payment from the District's Tax Account.

Ms. Mata then advised the Board of Wheeler's intent to change banking institutions from Allegiance Bank to Frost Bank. In connection therewith, Ms. Mata reported that SPH is currently in the process of negotiating an agreed upon form of Collateral Security Agreement with Frost Bank and that once negotiations conclude, Wheeler will present the Board with a formal request to authorize Wheeler to transfer the District's tax account from Allegiance Bank to Frost Bank.

ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

In furtherance of the previous discussion had in regards to the proposed transfer of the District's tax account from Allegiance Bank to Frost Bank, Mr. Lai advised the Board that SPH recommends amending the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy") to provide for the aforementioned form of Collateral Security Agreement. In that regard, Mr. Lai presented to and reviewed with the Board an amended Investment Policy, a copy of which is attached hereto as **Exhibit C**, and advised that the agreed upon form of Collateral Security Agreement will be presented to the Board at a future meeting date, once negotiations regarding an agreed upon form have concluded. Following discussion on the matter, it was moved by Director Vinzant, seconded by Director Pichon, and unanimously carried that (i) the amended Investment Policy be approved and the President and Secretary authorized to execute same on behalf of the Board and the District, and (ii) the form of Collateral Security Agreement be approved, subject to the conclusion of negotiations between SPH and Frost Bank, and SPH's final approval of said form.

DELINQUENT TAX REPORT

Mr. Lai presented to and reviewed with the Board a Delinquent Tax Report ("Report") dated July 18, 2022, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorney, a copy of which is attached hereto as **Exhibit D**. The Board noted that there were no action items associated with the Report.

RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2022 TAX RATE

The Board considered the financial advisor's recommendation concerning the District's proposed 2022 tax rate. In connection therewith, Mr. Lai advised the Board that the Harris County Appraisal District has not yet released the 2022 certified values, and requested that the Board defer consideration of the financial advisor's 2022 tax rate recommendation until next month's meeting.

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 August 15, 2022, a copy of which is attached hereto as **Exhibit E**.

In connection with the purchase and installation of two (2) generators to be located at the District's Lift Station Nos. 1 and 2 (the "Lift Station Generators"), Mr. Robinett advised the Board that Costello solicited bids for the Lift Station Generators on July 1, 2022, and, upon review of the seven (7) bids received, recommends awarding the contract to the low bidder, W-Industries, in the amount of \$200,152.00. Following discussion, Director Pichon moved to award the contract for the purchase and installation of the Lift Station Generators to W-Industries in the amount of \$200,152.00, as recommended by Costello. Director Wright seconded the motion, which unanimously carried.

In connection with the purchase and installation of a generator to serve the District's Joint Wastewater Treatment Plant ("Joint WWTP") located within Longhorn Town Utility District ("Longhorn"), Mr. Robinett advised the Board that Costello solicited bids for the Joint WWTP generator on July 1, 2022, and, upon review of the five (5) bids received, recommended awarding the contract to the low bidder, W-Industries, in the amount of \$312,144.00. Following discussion, Director Pichon moved to award the contract for the purchase and installation of a generator to serve the District's Joint WWTP to W-Industries in the amount of \$312,144.00, as recommended by Costello. Director Wright seconded the motion, which unanimously carried.

Mr. Robinett next presented to and reviewed with the Board a draft of the District's Five-Year Capital Improvement Plan (the "CIP") for the District's facilities, a copy of which is attached hereto as **Exhibit F**. It was noted by Mr. Robinett that the proposed drilling of a second water well was not included in the draft CIP.

Mr. Robinett then provided the Board with an update regarding the repair and potential widening of the sidewalks and trails located within the boundaries of the District (the "Sidewalk Repair Project"). In connection therewith, Mr. Robinett advised the Board that Harris County Municipal Utility District No. 346 ("No. 346") and Harris County Precinct 4 ("Pct. 4") have agreed to fund the Sidewalk Repair Project at a cost to be shared between No. 346 and Pct. 4, and that No. 346 and Pct. 4 are in the process of entering into an Interlocal Agreement relative to same. Mr. Robinett noted that the District has not been named as a party to said Interlocal Agreement, and therefore will not be responsible for contributing funds to the Sidewalk Repair Project.

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

In connection with the possible acquisition of property owned by Second Baptist Church (the "Church") for the drilling of a second water well, Mr. Lai reminded the Board that SPH previously communicated with No. 346 regarding the terms of the offer to the Church, as required by the Third Amendment to Interim and Permanent Water Supply Contract between the District and No. 346, and advised that SPH has not yet received a response from No. 346.

OPERATIONS REPORT

Mr. Jenkins presented to and reviewed with the Board the Operations and Maintenance Report ("Operations Report") for the month of July 2022, a copy of which is attached hereto as **Exhibit G**. In connection therewith, Mr. Jenkins requested the Board's authorization to send one (1) account in the amount of \$66.28 to collections. Following discussion, Director Pichon moved to authorize Inframark to send the one (1) account in the amount of \$66.28 to collections, as requested. Director Vinzant seconded the motion, which unanimously carried.

Mr. Jenkins then presented to and reviewed with the Board two (2) proposals for the repair and rehabilitation of the District's Wastewater Treatment Plant (the "WWTP Rehab"), copies of which are included in the Operations Report. In connection therewith, Mr. Jenkins advised the Board that though both proposals submitted the amount of \$24,850.00 for the total

cost of the WWTP Rehab, Inframark is recommending the Board's acceptance of the proposal submitted by Rage Industrial Solutions LLC ("Rage") due to positive work history. Following discussion, Director Pichon moved to accept the proposal for the WWTP Rehab submitted by Rage in the amount of \$24,850.00, as recommended by Inframark. Director Vinzant seconded the motion, which unanimously carried.

LETTER AGREEMENT FOR TEMPORARY FUEL SURCHARGE BETWEEN THE DISTRICT AND INFRAMARK

Mr. Jenkins then presented to and reviewed with the Board a proposed Letter Agreement for Temporary Fuel Surcharge between the District and Inframark (the "Letter Agreement"), a copy of which is attached hereto as **Exhibit H**, and advised that Inframark is requesting that, for the period of one year, the District agree that Inframark may add a flat percentage fuel surcharge of 0.4% of the invoiced amount for fuel each month if, during that month, the U.S. median gasoline price exceeds \$2.549/per gallon. Following discussion, Director Pichon moved to approve the Letter Agreement, subject to review and final approval by SPH, and authorize the President or Vice President to execute same on behalf of the Board and the District. Director Vinzant seconded the motion, which unanimously carried.

SECURITY MATTERS

Discussion ensued regarding security matters throughout the District. In connection therewith, Mr. Lai presented to and reviewed with the Board a Green Trails Monthly Report dated as of July 2022, and a Harris County Constable Pct 5 Beat Activity Report for the month of July 2022, copies of which are attached hereto as **Exhibit I**.

AMENDMENT TO THE EMERGENCY AND INTERIM WATER SUPPLY AGREEMENTS BETWEEN WITH GREEN TRAILS MUNICIPAL UTILITY DISTRICT ("GREEN TRAILS") AND WEST PARK MUNICIPAL UTILITY DISTRICT ("WEST PARK")

The Board considered an amendment to the Emergency and Interim Water Supply Agreements between the District and Green Trails, West Park, and any other entities with an existing emergency water supply contract with the District. In connection therewith, Mr. Lai advised that he had nothing new to report to the Board regarding this matter.

INTERLOCAL AGREEMENT BETWEEN THE DISTRICT AND WILLOW FORK DRAINAGE DISTRICT ("WILLOW FORK") IN CONNECTION WITH THE INSTALLATION OF A HIKE AND BIKE UNDERPASS ON FRY ROAD

In connection with the installation of a hike and bike underpass to be located on Fry Road (the "Project"), Mr. Lai reminded the Board that SPH has provided Willow Fork with comments to the draft Interlocal Agreement prepared by Willow Fork, and that Willow Fork is in the process of looking for additional contributors to participate in the Project.

STATUS OF IMPLEMENTATION OF MASS COMMUNICATION MESSAGING SYSTEM BY CLASSIC MESSAGING LLC ("CLASSIC MESSAGING") AND DISCUSSION REGARDING OPT-IN CAMPAIGN RELATIVE TO SAME

Mr. Cashiola presented to and reviewed with the Board a Member Database Report for the District, prepared by Classic Messaging, a copy of which is attached hereto as **Exhibit J**. In connection therewith, Mr. Cashiola explained the various ways in which a District resident may choose to opt-in to receiving notifications from the District. Mr. Cashiola advised that, typically, Classic Messaging prepares an "Opt-In Campaign Letter" for distribution to District residents through customer water bills that includes a website link and instructions for opting-in to receiving the District's notifications. He further advised that once the District's residents have signed up to receive notifications, Classic Messaging will send out a test notification to ensure functionality. The Board requested that Classic Messaging (i) include a link to the District's webpage through Inframark's website on the Classic Messaging opt-in webpage, and (ii) provide the link to the Classic Messaging opt-in webpage to Inframark for inclusion on the District's webpage through Inframark's website, to which Mr. Cashiola responded that Classic Messaging would do so. Following discussion, the Board concurred to designate Director Pichon as the authorized point of contact, on behalf of the Board and the District, for purposes of (i) communicating with Classic Messaging in between meetings to implement the District's mass communication notification system, (ii) approving and authorizing distribution of emergency notifications on behalf of the Board, and (iii) taking any actions deemed necessary in connection therewith.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Mr. Lai advised that he had nothing further of a legal nature to discuss with the Board at this time.

CLOSED SESSION

The Board determined it was not necessary to enter into Closed Session.

Mr. Cashiola exited the meeting at this time.

FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. In connection therewith, the Board expressed concerns regarding the status of the Trietsch Park pond project (the "Pond Project"), as it appears that the Pond Project has been paused without the District's knowledge or consent. Following discussion, the Board members requested the inclusion of an item on next month's meeting agenda to discuss the status of the Pond Project.

ADJOURNMENT

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



Asst. Secretary

A handwritten signature in blue ink, appearing to be "D. V. Hart", is written over a horizontal line.

LIST OF ATTACHMENTS TO MINUTES

Exhibit A –	Bookkeeper's Report
Exhibit B –	Tax Assessor/Collector Reports
Exhibit C –	Amended Investment Policy
Exhibit D –	Delinquent Tax Collections Report
Exhibit E –	Engineering Report
Exhibit F –	Five-Year Capital Improvement Plan
Exhibit G –	Operations Report
Exhibit H –	Letter Agreement for Temporary Fuel Surcharge
Exhibit I –	Green Trails Monthly Report dated as of July 2022 and Harris County Constable Pct 5 Beat Activity Report
Exhibit J –	Classic Messaging Member Database Report