

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

August 21, 2023

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 21, 2023, 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 Director Wright, thus constituting a quorum.

Also present were Robert Miller and Allen Jenkins of Inframark, LLC ("Inframark"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett and John Lacy of Costello Engineers, Inc. ("Costello"); Angela Smith and Julius Klehm, residents of the District; and Kate Henderson and Peyton Ellis 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.

Ms. Smith addressed the Board regarding the levels of arsenic detected in the District's water supply and the potential levels of arsenic in the District's proposed second water well, the Emergency Water Supply Contract with Harris County Municipal Utility District No. 216 ("No. 216") for the annual purchase by the District of 30,000,000 gallons of water from No. 216, the District's utilization of water supply from West Park Municipal Utility District ("West Park"), and the District's procurement of portable generators to serve Lift Station Nos. 1 and 2 and the District's Joint Wastewater Treatment Plant (collectively, the "Facilities").

Mr. Klehm next addressed the Board to request a leak adjustment on the water bill he received for the May 2023 billing cycle. Mr. Klehm advised the Board that the unusually high usage reflected in said water bill is inconsistent with his usage history,

and that he is unaware of any leaks that could have sourced the high usage amount on his end. He further advised that since his May 2023 bill, his water usage is back to being consistent with his usage history. Mr. Miller then advised the Board that, after being contacted by Mr. Klehm, Inframark confirmed that there were no leaks present on the District's end that could have sourced the high usage amount, and advised that the meter located at Mr. Klehm's residence has since been replaced in accordance with the District's water meter replacement program. Following discussion, Mr. Klehm thanked the Board for its time and consideration, and exited the meeting at this time. The Board concurred to consider and discuss the matter further under the Operator's Report.

APPROVAL OF MINUTES

As the next order of business, the Board reviewed the minutes of its meeting held on July 17, 2023. Ms. Henderson advised the Board that SPH is in the process of preparing the minutes of the special Board meeting held on August 4, 2023, and requested that the Board defer taking action to approve such minutes at this time. Following discussion, it was moved by Director Dalton, seconded by Director Vinzant, and unanimously carried, that the Board approve the minutes of the July 17, 2023, Board meeting, as presented, and defer the approval of the minutes of its August 4, 2023, special meeting at this time.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board a Bookkeeper's Report dated August 21, 2023, 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 2023, and a Cash Flow Forecast. Following discussion, Director Kingma moved that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check nos. 11493 and 11498, which were voided. Director Pichon seconded the motion, which unanimously carried.

Ms. Cooper reminded the Board that it previously instructed MA&C to hold off on purchasing any new Certificates of Deposit ("CDs") for the District until the condition of the investment market stabilizes. In that regard, Ms. Cooper queried the Board as to whether it desired to move forward with the purchase of any new CDs for the District at this time. Following discussion, it was moved by Director Kingma, seconded by Director Pichon, and unanimously carried, that MA&C be authorized to proceed with the purchase of three (3) new CDs on a ladder basis, on behalf of the Board and the District.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Mata presented to and reviewed with the Board the Tax Assessor-Collector's Report dated as of July 31, 2023, including the checks presented for payment, a copy of which is attached hereto as **Exhibit B**. Following review and discussion of the report

presented, it was moved by Director Dalton, seconded by Director Vinzant, and unanimously carried, that the Tax Assessor-Collector's Report dated as of July 31, 2023, be approved, and that the disbursements identified therein be authorized for payment from the District's Tax Account.

DELINQUENT TAX REPORT

Ms. Henderson reported that a Delinquent Tax Report was not received this month from the District's delinquent tax attorneys, Perdue, Brandon, Collins, Fielder & Mott, LLP.

RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2023 TAX RATE

The Board deferred consideration of the financial advisor's recommendation concerning the District's proposed 2023 tax rate after noting that the Harris Central Appraisal District has not yet released the District's 2023 certified values.

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 21, 2023, a copy of which is attached hereto as **Exhibit C**.

A discussion next ensued regarding the status of the District's procurement of portable generators to serve the Facilities until the permanent generators are installed. In that regard and in response to Ms. Smith's comment from earlier in the meeting, Mr. Robinett reported to the Board that the portable generators have been procured, and that Inframark received authorization from Director Dalton in advance of today's meeting to proceed with purchasing the required portable generator cables in connection therewith, as the cost for same was less than renting such cables. He noted that he expects such cables will be in place within the next couple of weeks.

In connection with the repair and potential widening of the sidewalks and trails located within the boundaries of the District by Harris County Municipal Utility District No. 346 ("No. 346") and Harris County Precinct 4 ("Pct. 4") (the "Sidewalk Repair Project"), Mr. Robinett advised the Board that, according to No. 346's attorney, the President of the Board of Directors of Green Trails Municipal Utility District ("Green Trails") requested revisions to the Interlocal Agreement between No. 346 and Pct. 4 after such agreement had been executed and provided by No. 346 to Pct. 4 for approval, causing the Sidewalk Repair Project to be removed from Pct. 4's approval process. He advised that No. 346 is in the process of working with Pct. 4 to determine how to proceed with the Sidewalk Repair Project.

Mr. Lacy then gave a presentation regarding groundwater reduction plans ("GRPs"), and presented to and reviewed with the Board an informational handout on the

subject, a copy of which is attached hereto as **Exhibit D**. A lengthy discussion ensued regarding GRPs and associated matters, including the District's participation in the City of Houston's (the "City") GRP.

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

The President noted that the Board would discuss the possible acquisition of property owned by Second Baptist Church for the drilling of a second water well 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 July 2023, a copy of which is attached hereto as **Exhibit E**. Mr. Miller confirmed that the final letter from the Board of Directors addressing comments received during recent Board meetings was distributed to the District's residents on August 15, 2023. A copy of such letter is attached hereto as **Exhibit F**.

Mr. Miller advised the Board that Inframark is in the process of streamlining the current format of its website, including the individual district webpages. He further advised that the new format for individual district webpages will not support the amount of information the District currently maintains on its webpage as requested by the Board in recent months. Following discussion, the Board requested that Mr. Miller notify the Board of Inframark's expected start date for the new website design as soon as it becomes available.

In response to Ms. Smith's comments from earlier in the meeting, Mr. Miller and Mr. Jenkins explained that the District previously elected to enter into an Emergency Water Supply Agreement with No. 216 to be utilized by the District during the summer months due to increased demand during that time. They further explained that the District's interconnect with West Park is the only interconnect available to the District that can adequately supply the entire District with sufficient water service without causing any strain on West Park's water system, but that there are certain limitations and costs involved with the District's receipt of such water from West Park per the Emergency Water Supply Contract between the District, West Park, No. 346 and Longhorn Town Utility District.

In connection with the request for a leak adjustment received from Mr. Klehm earlier in the meeting, it was moved by Director Dalton, seconded by Director Vinzant, and unanimously carried, that the Board (i) grant Mr. Klehm's request for an adjustment to his May 2023 high usage water bill, and (ii) authorize Inframark to rebill Mr. Klehm based on his prior month's usage at the lowest tier rate per the District's current Rate Order, plus the GRP fees imposed by the City.

MATTERS RELATED TO DISTRICT'S WATER QUALITY

Discussion ensued regarding matters associated with the District's water quality. In connection therewith, Mr. Miller advised the Board that the Texas Commission on Environmental Quality (the "TCEQ") conducted its quarterly water quality testing of the District's system on August 18, 2023, and that Inframark collected independent samples from the District's water system, accordingly, and provided same to two (2) labs independent of the TCEQ's regularly utilized labs, as previously authorized by the Board.

Ms. Henderson advised the Board that SPH received email communications from residents of the District, Maria Velez, Li He, Matt Bramanti and Maria Garibaldi, addressing the Board about the level of arsenic detected in the District's water supply. Copies of such email correspondence are attached hereto as **Exhibit G**.

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 July 2023, and a Harris County Constable Pct 5 Beat Activity Report for the month of July 2023, copies of which are attached hereto as **Exhibit H**.

COMMUNICATION WITH DISTRICT RESIDENTS, INCLUDING MASS COMMUNICATION MESSAGING SYSTEM BY CLASSIC MESSAGING LLC ("CLASSIC MESSAGING")

In connection with the District's mass communication messaging system (the "Messaging System") through Classic Messaging, Director Pichon advised the Board that Classic Messaging has prepared standard examples of text notifications for mass distribution to the District's residents, and that he will provide such examples to SPH and Inframark for review prior to the emergency notification test to the District's residents.

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.

ATTORNEY'S REPORT

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

STATUS OF POTENTIAL LITIGATION INVOLVING THE DISTRICT

Ms. Henderson advised that she had nothing new to report to the Board in connection with the District's involvement in pending litigation at this time.

CLOSED SESSION

The President announced at 1:26 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, Ms. Ellis and Ms. Henderson, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:54 p.m., with the Board, Ms. Smith, Ms. Ellis and Ms. Henderson in attendance.

In regards to the discussion of the possible acquisition of property owned by Second Baptist Church for the drilling of a second water well, it was moved by Director Pichon, seconded by Director Kingma, and unanimously carried, that (i) SPH be authorized to prepare a revised offer letter to Second Baptist Church for the purchase of the property proposed for the second water well site, in accordance with the updated appraisal received from Deal Sikes relative to same and as further discussed in Closed Session, subject to No. 346 agreeing to accept responsibility for twenty-percent (20%) of the cost for purchase of said property, and (ii) Director Dalton be authorized to transmit such offer letter, once revised, to Second Baptist Church.

FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. No items were requested to be added to future agendas other than those items hereinabove discussed.

ADJOURNMENT

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



Asst. Secretary 

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor/Collector Report
- Exhibit C –** Engineering Report
- Exhibit D –** Handout regarding Groundwater Reduction Plans
- Exhibit E –** Operations and Maintenance Report
- Exhibit F –** Final Letter from Board of Directors to District Residents
- Exhibit G –** Resident Email Correspondences
- Exhibit H –** Green Trails Monthly Report dated as of July 2023 and Harris County Constable Pct. 5 Beat Activity Report