

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

December 18, 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 December 18, 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
Aaron Pichon, Secretary
David Vinzant, Assistant Secretary

and all of said persons were present, except Director Wright, thus constituting a quorum.

Also present were Robert Miller of Inframark, LLC ("Inframark"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MA&C"); Ashlie Whittemore of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett of Costello Engineers, Inc. ("Costello"); Karen Sears of Storm Water Solutions, LLC ("SWS"); Angela Smith, a resident of the District; Mike Fitzgerald, a resident and prospective Director 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 requested information regarding the District's prior director elections. Ms. Smith also inquired as whether the Notice Regarding Candidate Filing Period in connection with the District's Directors Election to be called for May 4, 2024, would be emailed to the residents of the District through the District's mass communication messaging system.

APPROVAL OF MINUTES

As the next order of business, the Board reviewed the minutes of its meeting held on November 20, 2023. After discussion of the minutes presented, Director Pichon moved that the minutes of the November 20, 2023, Board meeting be approved, as written. Director Vinzant seconded the motion, which unanimously carried. The Board deferred action until the next meeting regarding the approval of the minutes of its meeting held on December 11, 2023.

**APPOINTMENT OF A DIRECTOR TO FILL THE VACANCY ON THE BOARD AND
ACCEPTANCE OF AFFIDAVIT OF CURRENT DIRECTOR, STATEMENT OF
APPOINTED OFFICER, OATH OF OFFICE, AND OFFICIAL BOND**

The next matter to come before the Board was the appointment of a Director to fill the current vacancy on the Board created by the resignation of David Kingma. In that regard, Director Dalton stated that the District had received resumes from eleven (11) great candidates for the vacant position on the Board, and that after reviewing the resumes, interviewing some of the candidates and giving due consideration of each of their respective qualifications, the Board concurred that Mike Fitzgerald be appointed to fill the vacant Director position on the Board. The Board then recognized Mr. Fitzgerald, who advised the Board of his qualifications and expressed a desire to be appointed to serve in such capacity. Following discussion, Director Dalton moved that Mike Fitzgerald be appointed to fill the vacant Director position on the Board. The motion was seconded by Director Pichon and carried by unanimous vote.

The Board considered the acceptance of an Affidavit of Current Director, Statement of Appointed Officer, Official Bond, Oath of Office, and an Election Not to Disclose Certain Information for Director Fitzgerald. After discussion on the matter, it was moved by Director Vinzant, seconded by Director Pichon and unanimously carried, that the Board approve said Bond, accept said Statement of Appointed Officer, Affidavit of Current Director, Oath of Office and Election Not to Disclose Certain Information and declare Mike Fitzgerald to be a duly appointed and qualified Director of the District.

DIRECTOR TRAINING REQUIREMENTS

Ms. Henderson discussed with the Board the training requirements for public officials in Texas in connection with the appointment of Mike Fitzgerald as a Director of the District. She advised that public officials, including Directors of the District, must complete separate training courses regarding the Texas Open Meetings Act and the Texas Public Information Act. Ms. Henderson presented Director Fitzgerald with a Memorandum prepared by SPH which summarizes the training requirements. She advised that the deadline for public officials to complete their training is the 90th day after they either take their oath of office or otherwise assume their responsibilities as a public official. Ms. Henderson noted that it is the responsibility of each of the Directors to ensure that they complete their training by the deadline.

**CONFLICTS DISCLOSURE STATEMENT REPORTING REQUIREMENTS FOR
APPOINTED DIRECTOR**

Ms. Henderson next discussed with the Board the conflicts disclosure statement reporting requirements for officers of certain local governmental entities, including water district directors, pursuant to Chapter 176 of the Local Government Code. Ms. Henderson advised the Board that Director Fitzgerald had been presented with a Memorandum and Questionnaire prepared by SPH summarizing the conflicts disclosure requirements.

REORGANIZATION OF THE BOARD AND ELECTION OF OFFICERS

The Board considered its reorganization and the election of officers of the Board and the District. After discussion, Director Dalton moved that Directors Dalton, Wright, Pichon and Vinzant continue to serve on the Board in their current respective positions, and that Director Fitzgerald be appointed to serve as an Assistant Secretary. Director Pichon seconded said motion, which unanimously carried.

DISTRICT REGISTRATION FORM

The Board next considered approving a District Registration Form required by the Texas Commission on Environmental Quality (the "TCEQ"). Ms. Henderson explained that, in accordance with the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty days after an election or appointment. She advised that, with the Board's approval, SPH will complete the District Registration Form to reflect the term of office and mailing address for Director Fitzgerald and file the form with the TCEQ. After further discussion of the matter, Director Pichon moved that the Board authorize SPH to complete the District Registration Form as discussed and file same with the TCEQ. Director Dalton seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICERS LIST

Ms. Henderson advised the Board that the District is required to maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Vinzant moved that SPH be authorized to update the District's list of local government officers as required by law. Director Dalton seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board a Bookkeeper's Report dated December 18, 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 October 2023, and a Cash Flow Forecast. Following discussion, Director Pichon moved that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, except for check no. 11585, which was voided. Director Dalton seconded the motion, which unanimously carried.

Ms. Castillo next presented and discussed a preliminary draft of the operating budget for the District and preliminary drafts of the budgets for the Joint Wastewater Treatment Plant and Joint Water Plant for the fiscal year ending January 31, 2025, copies of which are included in the Bookkeeper's Report (Exhibit A), and requested that the Directors and consultants provide any comments to such budgets prior to the Board's next meeting.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Whittemore presented to and reviewed with the Board the Tax Assessor-Collector's Report as of November 30, 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 Fitzgerald, and unanimously carried that the Tax Assessor-Collector's Report as of November 30, 2023, be approved, and that the disbursements identified therein be authorized for payment from the District's Tax Account. The Board instructed that check no. 5181 payable to Brown & Brown in the amount of \$250.00 for renewal of the Tax-Assessor Collector Bond be held pending confirmation of release by SPH.

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.

ENGINEER'S REPORT

Mr. Robinett next presented to and reviewed with the Board an Engineering Report dated December 18, 2023, a copy of which is attached hereto as **Exhibit C**, relative to the status of various engineering and construction projects within the District. In connection with the need for certain adjustments to the District's Five-Year Capital Improvement Plan ("CIP"), as discussed last month, Mr. Robinett addressed the Board regarding the inspection of the District's water plant and wastewater treatment plant facilities conducted by Costello and Inframark on December 1, 2023, as further detailed in the Engineering Report. Mr. Robinett then presented to and reviewed with the Board a Memorandum dated December 15, 2023, a copy of which is attached hereto as **Exhibit D**, summarizing the inspection of the District's facilities. Mr. Robinett stated that he had no action items for the Board's consideration this month.

Ms. Sears next presented to and reviewed with the Board a Storm Water Management Program Report, a copy of which is attached hereto as **Exhibit E**, including a proposal from SWS in the amount of \$3,700.00 for removal of sediment from the Storm Water Quality OGT Unit. After discussion, it was moved by Director Vinzant, seconded by Director Dalton, and unanimously carried that the proposal be approved by the Board, subject to the receipt of a Texas Ethics Commission ("TEC") Form 1295 from SWS.

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

A discussion next ensued regarding the possible acquisition of property owned by Second Baptist Church (the "Church") for the drilling of a second water well. In that regard, Ms. Henderson advised the Board that a response to the District's updated offer for purchase of the subject property that was submitted to the Church on November 17, 2023, had not yet been received. Ms. Henderson stated that she would follow up with the Church in January 2024. Mr. Robinett advised that Costello is updating the cost estimate for the water well and will present it to the Board at the next meeting.

OPERATIONS REPORT

Mr. Miller presented to and reviewed with the Board the Operations Report for the month of November 2023, a copy of which is attached hereto as **Exhibit F**. Mr. Miller reported that the results from the latest water quality testing of the District's system for arsenic levels conducted by Inframark have been received, copies of which are included in the Operations Report, and that the test results indicate that the arsenic levels are below the maximum allowed limit. Director Vinzant requested that a graph reflecting the water quality quarterly testing results for arsenic levels be included in the Operations Report so that the Board can monitor same.

Mr. Miller next advised the Board that Harris County Municipal Utility District No. 216 ("No. 216") has requested that the District refrain for the time being from taking water through the interconnect with No. 216. Mr. Miller stated that he would obtain additional information from No. 216 with respect to such request and report back to Ms. Henderson regarding same.

Mr. Miller next inquired as to whether the Board would like to delay termination of service for non-payment, which is currently scheduled for December 27, 2023. After discussion, it was moved by Director Vinzant, seconded by Director Dalton, and unanimously carried that termination of service for non-payment be delayed by one (1) week.

Director Vinzant exited the meeting at this time.

SECURITY MATTERS

Ms. Henderson next advised the Board that the Green Trails Monthly Report and Harris County Constable Pct 5 Beat Activity Report had not been received this month.

MASS COMMUNICATION MESSAGING MATTERS SYSTEM; APPROVAL OF FIRST AMENDMENT TO AMENDED AND RESTATED MESSAGING SERVICES AGREEMENT WITH CLASSIC MESSAGING LLC IN CONNECTION WITH ESTABLISHMENT OF DISTRICT WEBSITE

Ms. Henderson next advised the Board that she had forwarded a proposed First Amendment to Amended and Restated Messaging Services Agreement with Classic Messaging LLC ("First Amendment") in connection with the establishment of a District website to Dominic Cashiola on December 1, 2023, and that she had not yet received the executed First Amendment back from Mr. Cashiola. After discussion on the matter, Director Pichon moved that the First Amendment be approved, subject to (i) the receipt of any comments from Mr. Cashiola and Director Dalton's final approval of same, and (ii) the receipt of a TEC Form 1295 from Classic Messaging LLC.

Ms. Henderson next advised the Board that the Notice Regarding Candidate Filing Period in connection with the District's Directors Election to be called for May 4, 2024, is being posted today at (i) the in-District posting location for notices of meetings, and (ii) the District's administrative office, as required by law; however, Mr. Cashiola advised that Classic Messaging LLC's platform is having difficulties emailing the Notice to the residents of the District through

the District's mass communication messaging system, as requested by the Board at the last meeting. Ms. Henderson explained that, pursuant to the Texas Election Code, the Notice must be made available in English, Spanish, Vietnamese and Chinese, and that Mr. Cashiola advised that Classic Messaging LLC's programming is experiencing problems with the translated language. After discussion on the matter, the Board concurred that the Notice Regarding Candidate Filing Period not be emailed to the residents of the District through the District's mass communication messaging system if Mr. Cashiola is unable to email the Notice in all four (4) languages in accordance with the Election Code.

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. Ms. Henderson advised the Board that email correspondence had been received from the City of Houston (the "City") regarding the nomination of two (2) members to serve on the City's newly created Groundwater Reduction Program Committee. Ms. Henderson reported that the nomination due date is January 31, 2024. After discussion, the Board took no action regarding the matter at this time.

STATUS OF POTENTIAL LITIGATION INVOLVING THE DISTRICT

Ms. Henderson advised that discussion regarding the District's involvement in pending litigation would be addressed in Closed Session.

CLOSED SESSION

At 12:55 p.m., the Board President announced that the Board would meet in Closed Session to discuss pending or threatened litigation pursuant to Section 551.071, Texas Government Code. At this time, all those present, with the exception of the Board, Ms. Henderson, Ms. Knox and Ms. Kanarr exited the meeting.

At 1:02 p.m., the Board President announced that the Board would reconvene in Open Session. No action was taken by the Board following the Closed Session.

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 Pichon, and unanimously carried, the meeting was adjourned.


Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor-Collector's Report
- Exhibit C –** Engineering Report
- Exhibit D –** Memorandum dated December 15, 2023 Summarizing Inspection of District's Water Plant and Wastewater Treatment Plant Facilities
- Exhibit E –** Operations Report
- Exhibit F -** Storm Water Management Program Report