

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors February 21, 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 February 21, 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 Director Pichon, thus constituting a quorum.

Also present were Allen Jenkins of Inframark Water Infrastructure Operations ("Inframark"); Kayla Crigger and Cory Burton of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett of Costello Engineers, Inc. ("Costello"); Eric Badertscher of Off Cinco, LLC ("Off Cinco"); Dominic Cashiola of Classic Messaging; and Kate Henderson and Peyton Ellis of Schwartz, Page and Harding, L.L.P. ("SPH").

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 January 17, 2022. After discussion of the minutes presented, Director Wright moved that the minutes of the January 17, 2022, Board meeting be approved, as written. Director Vinzant seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Crigger presented to and reviewed with the Board the Bookkeeper's Report dated February 21, 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 January 2022, and a Cash Flow Forecast. After discussion, Director Dalton moved that the Board

approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check no. 11083 and 5001, which were voided. Director Wright seconded said motion, which unanimously carried.

SECOND AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES

Mr. Burton presented to and reviewed with the Board a Second Amended and Restated Agreement for Bookkeeping Services ("Agreement") between the District and MA&C, which provides, among other things, an hourly rate structure for services performed, a copy of which is attached hereto as **Exhibit B**. The Board asked various questions, to which Mr. Burton responded. Following lengthy discussion, the Board deferred approval of the Agreement until its next meeting. Following further discussion, Director Wright moved to authorize SPH to obtain proposals from other bookkeeping firms for the Board's consideration at next month's Board meeting. Director Dalton seconded the motion, which unanimously carried. The Board concurred that would review the proposals received from other bookkeeping firms in advance of next month's meeting to determine if a representative should attend such meeting to present said proposal.

Mr. Burton exited the meeting at this time.

PRESENTATIONS FROM OFF CINCO AND CLASSIC MESSAGING REGARDING PROPOSALS FOR IMPLEMENTATION OF PROPOSED MASS COMMUNICATION MESSAGING SYSTEM

The Board recognized Mr. Badertscher of Off Cinco and Mr. Cashiola of Classic Messaging.

Mr. Cashiola exited the meeting at this time.

Mr. Badertscher introduced himself and presented to and reviewed with the Board a proposal from Off Cinco for the implementation of a mass communication system within the District (the "Communication System"), a copy of which is attached hereto as **Exhibit C**. The Board asked various questions, to which Mr. Badertscher responded. Following discussion, the Board thanked Mr. Badertscher for his presentation, and Mr. Badertscher exited the meeting.

Mr. Cashiola re-entered the meeting at this time.

Mr. Cashiola introduced himself to the Board and presented to and reviewed a proposal as prepared by Classic Messaging for the Communication System, a copy of which is attached hereto as **Exhibit D**. The Board asked various questions, to which Mr. Cashiola responded. Following discussion, the Board thanked Mr. Cashiola for his presentation, and Mr. Cashiola exited the meeting.

Following lengthy discussion and review of the proposals as provided by Off Cinco and Classic Messaging, Director Dalton moved to (i) accept the proposal from Classic Messaging for

the implementation of the Communication System, and (ii) add an item to be placed on the March agenda to review and approve an agreement with Classic Messaging regarding same. Director Vinzant seconded the motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Mata presented to and reviewed with the Board the Tax Assessor-Collector's Report dated as of January 31, 2022, including the checks presented for payment, and a Delinquent Collections Listings dated as of January 31, 2022, copies of which are attached hereto as **Exhibit E**. Following discussion on the matter, Director Vinzant moved that the Tax Assessor-Collector's Report be approved and that the checks identified in the report be approved for payment. Director Wright seconded said motion, which carried unanimously.

BUSINESS LIST UPDATE FOR THE DISTRICT'S STRATEGIC PARTNERSHIP AGREEMENT WITH THE CITY OF HOUSTON

The Board considered the status of the Business List Update (the "Update") relative to the District's Strategic Partnership Agreement with the City of Houston. Ms. Henderson advised the Board that SPH received confirmation from Wheeler that the Update was completed and timely submitted with the City of Houston. No action was required by the Board in connection with this matter.

DELINQUENT TAX REPORT

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report ("Report") dated January 10, 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 F**. The Board noted that there were no action items associated with the Report.

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 date February 16, 2022, a copy of which is attached hereto as **Exhibit G**.

Discussion ensued regarding the installation of generators at the District's two (2) lift stations and the Joint Wastewater Treatment Plant located within Longhorn Town Utility District. In connection therewith, Mr. Robinett reminded the Board that it requested additional information regarding generator programs where a third-party company provides and maintains generators at District facilities opposed to the District purchasing its own. He then reported that Costello contacted Enchanted Rock, a third-party company that specialize in such a generator program, and advised that Enchanted Rock's generators are utilized for larger scale projects and would not be able to service the District's needs. He then advised that Costello will proceed with the design of the generators for public bidding as previously authorized by the Board.

In connection with the rehabilitation of the District's lift stations, Mr. Robinett presented to and reviewed with the Board Pay Estimate No. 7 and Final in the amount of \$144,223.64 from Lindsey Construction ("Lindsey"), a copy of which is included with **Exhibit G**, and recommended payment of same by the Board. Mr. Robinett noted that the District's share of the cost of Pay Estimate No. 7 and Final is \$88,217.37. Following review and discussion, Director Dalton moved to approve payment of Pay Estimate No. 7 and Final in the amount of \$144,223.64 to Lindsey. Director Wright seconded the motion, which unanimously carried.

Mr. Robinett then requested that the Board consider authorizing Costello to update the District's 5-year Capital Reserve Study ("CRS") in connection with the proposed construction of the District's Water Well No. 2 and other capital improvement projects. Following discussion, Director Dalton moved to authorize Costello to update the District's CRS, as requested. Director Wright seconded the motion, which unanimously carried.

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

In connection with the drilling of a second District water well, Ms. Henderson reminded the Board that Second Baptist Church has indicated that it is willing to make the requested site available for the District to drill the water well. She advised that Costello has provided SPH with the metes and bounds description for the second water well site and access road. She then presented to and reviewed with the Board a proposal from Deal Sikes for appraisal services on the property. A copy of the proposal is attached hereto as **Exhibit H**. Following discussion, Director Wright moved to (i) approve the proposal from Deal Sikes in the amount of \$5,000, (ii) authorize the President to execute same on behalf of the Board and the District, and (iii) authorize SPH to acknowledge the District's receipt of the Texas Ethics Commission Form 1295 from Deal Sikes. Director Kingma seconded the motion, which unanimously carried.

RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2022 TAX YEAR

Ms. Henderson reminded the Board of the procedures applicable to the adoption of the District's tax rate will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. Ms. Henderson then reviewed with the Board a worksheet completed by Costello to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2022 Tax Year. She advised the Board that pursuant to said worksheet the District is a "Developed District" under said law. Following discussion, upon motion made by Director Vinzant, seconded by Director Pichon, and unanimously carried, the Resolution Concerning Developed District Status for 2022 Tax Year attached hereto as part of **Exhibit I** was adopted by the Board.

OPERATIONS REPORT

Mr. Jenkins presented to and reviewed with the Board the Operations and Maintenance Reports ("Operations Report") for the month of January 2022, a copy of which is attached hereto as **Exhibit J**. In connection therewith, Mr. Jenkins reminded the Board that the repair of the

motor located at the District's water well was completed and that Inframark sent a claim to HARCO Insurance Group ("HARCO"), the District's insurance provider, to cover the cost of the repair of the motor. He further advised that HARCO accepted the claim and will provide payment for repair of the motor to the District's bookkeeper. No action was required of the Board in connection with this matter.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board next considered the review of an annual survey of prevailing wage rate scales for construction projects and the adoption of a Resolution in connection therewith. In that regard, Ms. Henderson reported that SPH is recommending that the District continue to adopt the wage rate scales as determined by the United States Department of Labor ("DOL") for Harris County (the "County"). After discussion on the matter, Director Kingma moved that the DOL wage rate scales for the County be adopted as the District's prevailing wage rate scales for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, which Resolution is attached hereto as **Exhibit K**, be adopted by the Board. Director Wright seconded said motion, which unanimously carried.

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 January 2022, and a Harris County Constable Pct 5 Beat Activity Report for the month of January 2022, copies of which are attached hereto as **Exhibit L**.

STATUS OF GREEN TRAILS MUNICIPAL UTILITY DISTRICT ("GREEN TRAILS") REQUEST TO PURCHASE WATER FROM THE DISTRICT

Discussion ensued regarding the status of Green Trail's request to purchase water from the District while Green Trails recoats its ground storage tank. In connection therewith, Director Dalton advised the Board that the President of Green Trails indicated that Green Trails has not reached a decision on the District's offer to provide water during the recoating of the Green Trails ground storage tank.

CONSIDER AN AMENDMENT TO THE EMERGENCY AND INTERIM WATER SUPPLY AGREEMENTS BETWEEN THE DISTRICT (I) GREEN TRAILS, AND (II) 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, Westpark, and any other entities with an existing emergency water supply contract with the District. In connection therewith, Ms. Henderson advised that she 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"), Ms. Henderson 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.

RENEWAL OF DISTRICT INSURANCE POLICIES

As the next order of business, the Board considered renewal of the District's insurance coverages. In connection therewith, Ms. Henderson presented to and discussed with the Board the insurance proposal received from HARCO, a copy of which is attached hereto as **Exhibit M**, relative to property, boiler and machinery, general liability, pollution liability, umbrella, workers compensation, business travel and directors and officers liability insurance policies and the director's bond, tax assessor-collector's bond, public employees blanket bond coverage and supplemental sewage backup coverage. After discussion, Director Kingma moved that the proposal from HARCO be accepted, except for business travel, workers compensation and supplemental sewage backup coverage, with all policies expiring on March 31, 2023, and that the President be authorized to execute same on behalf of the Board and the District. Director Dalton seconded said motion, which carried unanimously.

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.

CLOSED SESSION

The Board determined it was not necessary to enter into 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 Kingma and unanimously carried, the meeting was adjourned.




Assistant Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A -	Bookkeeper's Report
Exhibit B -	Second Amended and Restated Agreement for Bookkeeping Services
Exhibit C -	Off Cinco Proposal for Mass Communication Messaging System
Exhibit D -	Classic Messaging Proposal for Mass Communication Messaging System
Exhibit E -	Tax Assessor/Collector Report
Exhibit F -	Delinquent Tax Collections Report
Exhibit G -	Engineering Report
Exhibit H -	Proposal from Deal Sikes
Exhibit I -	Resolution Concerning Developed District Status for 2022 Tax Year
Exhibit J -	Operations Report
Exhibit K -	Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
Exhibit L -	Green Trails Monthly Report dated as of January 2022 and Harris County Constable Pct 5 Beat Activity Report
Exhibit M -	Insurance Proposal (HARCO Insurance Group)