

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Special Meeting of Board of Directors January 29, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 345 (the "District") met in special session at the Board's designated meeting place at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, on January 29, 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, except Director Pichon, thus constituting a quorum. Director Pichon entered later in the meeting, as noted herein.

Also present were Robert Miller of Inframark Water Infrastructure Operations ("Inframark"); Yaneth Castillo of Municipal Accounts & Consulting, L.P. ("MA&C"); Jason Robinett and Jeff Peña of Costello, LLC, now known as Pape-Dawson Consulting Engineers, LLC ("Pape-Dawson"); Melissa Vasquez of FORVIS, LLP ("FORVIS"); and Kate Henderson 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. There being no members of the public present, the Board continued to the next item of business.

ENGAGEMENT OF AUDITOR FOR PREPARATION OF THE DISTRICT'S ANNUAL AUDIT FOR THE FISCAL YEAR ENDING JANUARY 31, 2024

The Board next considered the engagement of an auditing firm to conduct an audit of the District's financial statements and records for the fiscal year ending January 31, 2024. Ms. Vasquez made a presentation to the Board on behalf of FORVIS to provide such auditing services, and advised that FORVIS has estimated the fees for preparation of the District's 2024 audit to be \$19,000 plus expenses, and the fees for the audit of the District's Joint Water Plant and Joint Sewage Treatment Plant accounts to be \$2,800 each, plus expenses. After discussion on the matter, Director Fitzgerald moved that (i) FORVIS be engaged to conduct the District's audit report for the fiscal year ending January 31, 2024, including the Joint Water Plant and Joint Sewage Treatment

Plant accounts, in accordance with FORVIS's engagement letter, a copy of which is attached hereto as **Exhibit A**, (ii) the President be authorized to execute FORVIS's engagement letter on behalf of the Board and the District, and (iii) SPH be authorized to acknowledge the Texas Ethics Commission Form 1295 ("Form 1295) submitted by FORVIS in connection with such engagement letter. Director Vinzant seconded said motion, which unanimously carried.

Director Pichon entered the meeting at this time.

ADOPTION OF GENERAL OPERATING BUDGET, WASTEWATER TREATMENT PLANT BUDGET, AND JOINT WATER PLANT BUDGET FOR FISCAL YEAR ENDING JANUARY 31, 2025

Ms. Castillo next presented a proposed operating budget for the District, and proposed budgets for the Joint Sewage Treatment Plant and Joint Water Plant for the fiscal year ending January 31, 2025, copies of which are attached hereto as **Exhibit B**. Ms. Castillo reviewed the subject budgets in detail with the Board. Following discussion, it was moved by Director Fitzgerald, seconded by Director Pichon and unanimously carried, that the Board approve the proposed operating, Joint Sewage Treatment Plant and Joint Water Plant budgets for the fiscal year ending January 31, 2025, as presented.

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

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

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. In that regard, Ms. Henderson advised the Board that the District's current insurance policies are provided through Brown & Brown Lone Star Insurance Services, Inc. ("Brown & Brown") (formerly HARCO/Texas Municipal League Intergovernmental Risk Pool) and that such policies will expire on March 31, 2024. After discussion concerning various options available to the District, Director Vinzant moved that SPH be authorized to solicit a renewal proposal from Brown & Brown for the Board's review at the next meeting. Director Wright seconded the motion, which unanimously carried.

MATTERS RELATED TO MAY 4, 2024 DIRECTORS ELECTION

Ms. Henderson reported on issues related to the District's Directors Election (the "Election") to be held on May 4, 2024. In connection therewith, Ms. Henderson presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit C**. Ms. Henderson advised that Harris County will not offer joint election services to political subdivisions for the May 4, 2024 election, and

therefore, the District will have to hold an independent election. She further discussed the challenges of administrating an independent election.

ACCESSIBLE VOTING SYSTEM

Ms. Henderson noted that Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Ms. Henderson reported that the District is exempt from said requirement because District's previous directors election was canceled. Following discussion, it was moved by Director Wright, seconded by Director Pichon and unanimously carried that SPH be authorized to provide notice of the District's intent not to provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Ms. Henderson reminded the Board that the due date for the nomination of two (2) candidates to be elected to serve on the City of Houston's Groundwater Reduction Program (GRP) committee is January 31, 2024. Following discussion, Director Dalton moved to nominate Mike Fitzgerald and Brent Jones to serve on the City of Houston's GRP committee and Director Fitzgerald be authorized to act as a voting member on behalf of the District in connection with same. Director Wright seconded the motion, which unanimously carried.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Ms. Henderson presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit D** calling the Election to be held on May 4, 2024. It was noted that the terms of office of Directors Wright, Pichon, and Fitzgerald expire in May of this year. In reviewing the Order with the Board, Ms. Henderson advised that the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Alyssa Kanarr as such agent (the "Election Agent"). Ms. Henderson further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Ms. Henderson advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election; (ii) posting the notice at a public place in each election precinct that overlaps the District at least twenty-one (21) days before the election; or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. Following discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each election precinct that overlaps the District. After discussion on the matter, Director

Vinzant moved that said Order be passed and adopted, that the President and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Director Fitzgerald seconded said motion, which unanimously carried. Ms. Henderson advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2024, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

The Board considered the establishment of fees to be paid to officials for the Election. Ms. Henderson advised the Board that in accordance with the Texas Election Code, the rate of pay for judges and clerks shall be determined by the Board, but shall not be less than the federal minimum wage rate. After discussion on the matter, Director Pichon moved that the judges and clerks for the Election, including early voting clerks, be paid \$25.00 per hour. Director Wright seconded said motion, which unanimously carried.

CLOSED SESSION

The President announced at 12:39 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code, Section 551.071 and Section 551.072. All of those in attendance, with the exception of the Board, Mr. Robinett, Mr. Peña, Ms. Kanarr and Ms. Henderson, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:12 p.m., with the Board, Mr. Robinett, Mr. Peña, Ms. Kanarr and Ms. Henderson in attendance.

In connection with the acquisition of property owned by the Church, Director Pichon moved that (i) Pape-Dawson be authorized to conduct an environmental site assessment not to exceed \$10,000 on the subject property and coordinate same with the Church, (ii) SPH be authorized to prepare and send new letters to the applicable District residents regarding the procurement of Sanitary Control Easements required in connection with the second water well, and (iii) SPH be authorized to respond to the Church's counteroffer pursuant to the terms discussed in Closed Session. Director Dalton seconded said motion, which unanimously carried.

FUTURE AGENDA ITEMS

The Board did not request any items be placed on future agendas other than regular and on-going items.

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.




Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Audit Engagement Letter (FORVIS, LLP)
- Exhibit B – Approved Budgets for Fiscal Year Ending January 31, 2025
- Exhibit C – Memorandum prepared by Schwartz, Page & Harding, L.L.P
regarding independent election
- Exhibit D – Order Calling Directors Election

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