

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

March 18, 2024

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 March 18, 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, with the exception of Directors Wright and Pichon, thus constituting a quorum. Director Pichon entered later in the meeting, as noted herein.

Also present were Robert Miller and Allen Jenkins of Inframark, LLC ("Inframark"); Yaneth Castillo of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett of Pape-Dawson Consulting Engineers, LLC ("Pape-Dawson"); Karen Sears of Storm Water Solutions, LLC ("SWS"); Angela Smith, resident 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. She addressed the Board concerning the District's May 4, 2024 Directors Election, the District's consideration of modifying the Capital Improvement Plan in the event of West Park Municipal Utility District's update to surface water sourcing, Senate Bill No. 239 from the 86th Texas Legislature, the District's Emergency Water Supply Agreement (the "216 Agreement") with Harris County Municipal Utility District No. 216 ("MUD 216"), and the responsibility of the District for repairing curbs and sidewalks within the District.

Ms. Henderson, Mr. Robinett and Mr. Miller provided responsive information to her inquiries, noting any further discussion or action would be taken under the appropriate item.

Director Pichon entered the meeting during the above discussion.

APPROVAL OF MINUTES

As the next order of business, the Board reviewed the minutes of its meetings held on January 29, 2024, and February 19, 2024. After discussion of the minutes presented, Director Vinzant moved that the minutes of the January 29, 2024, and February 19, 2024, Board meetings be approved, as written. Director Fitzgerald seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT; AND QUARTERLY INVESTMENT REPORT

Ms. Castillo presented to and reviewed with the Board the Bookkeeper's Report dated March 18, 2024, 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 2024, and a Cash Flow Forecast. Ms. Castillo additionally presented to and reviewed with the Board a Quarterly Investment Inventory Report, which had been prepared by MA&C, for the reporting period ended January 31, 2024, a copy of which is attached to the Bookkeeper's Report. Following discussion, Director Dalton moved that the Board (i) approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check no. 11643, which was voided, and (ii) approve the Quarterly Investment Inventory Report and authorize the District's Investment Officer to execute same on behalf of the Board and the District. Director Fitzgerald seconded the motion, which unanimously carried.

Ms. Castillo directed the Board's attention to the District's Investment Detail, as reflected in the Bookkeeper's Report, and advised the Board that MAC is recommending the purchase of a new Certificates of Deposit ("CD") for the District, as interest rates have improved due to the stabilizing conditions of the investment market. Following discussion, the Board concurred that MA&C be authorized to proceed with purchasing one (1) CD with a term of 12 months.

UNCLAIMED PROPERTY REPORT

The Board then considered authorizing the District's consultants to research unclaimed property and the District's Bookkeeper and Tax Assessor Collector to prepare Unclaimed Property Reports as of March 1, 2024. After discussion, Director Vinzant moved that the District's consultants be authorized to research their records to determine whether or not there is any unclaimed property for the stated period, and that MA&C and Wheeler be authorized to prepare Unclaimed Property Reports, if necessary, for the Board's consideration, approval and filing with the Comptroller prior to July 1, 2024. Director Pichon 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 Report dated as of February 29, 2024, including the checks presented for payment, a copy of which is attached hereto as **Exhibit B**. Following review and discussion of the report submitted, it was moved by Director Pichon, seconded by Director Fitzgerald and unanimously carried, that the

Tax Assessor-Collector Report dated as of February 29, 2024, 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.

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 March 18, 2024, a copy of which is attached hereto as **Exhibit C**.

Mr. Robinett presented to and reviewed with the Board proposals prepared by Pape-Dawson for the design of the Water Plant Phase 1 Improvements, Wastewater Treatment Plant Improvements, and the Second Water Well, copies of which are attached hereto as **Exhibit C**. After discussion, Director Fitzgerald moved that all three proposals be approved, with the design of the Second Water Well approval subject to the outcome of the environmental assessment currently underway. Director Dalton seconded the motion, which carried unanimously. Ms. Henderson noted that SPH is preparing an Assignment of Engineering Services Agreement between the District and Costello, Inc., to address the acquisition of Costello by Pape-Dawson.

Director Fitzgerald then requested that Pape-Dawson coordinate with Precinct 4 and provide a photo of the sidewalk that Ms. Smith discussed in her comments for consideration of repair as it was noted that repair of the sidewalk is the responsibility of Harris County. The Board concurred with same.

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

Ms. Henderson noted that the Board would discuss the District's possible acquisition of property owned by Second Baptist Church (the "Church") 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 February 2024, a copy of which is attached hereto as **Exhibit D**. In connection therewith, Mr. Miller requested the Board's authorization to complete fire hydrant repairs at an estimated cost of \$17,300, cleaning out of the outfall at the Wastewater Treatment Plant at an estimated cost of \$3,502.72, and to include a bill insert regarding flushables with the next water bills. Mr. Miller presented two (2) accounts to be moved to collections in the total amount of \$2,540.14.

Mr. Miller informed the Board that the Texas Commission for Environmental Quality ("TCEQ") noted the condition of the District's outfall on its wastewater treatment plant

inspection. Mr. Miller advised that the Harris County Flood Control District is responsible for the upkeep of the outfall, and that he will coordinate the complete improvement of the outfall, but recommended the District clean the actual outfall, as depicted in the Operations Report. Mr. Miller next informed the Board of necessary hydrant repairs, noting several that require new parts, and two that the wrench is not secure when opening.

After discussion, Director Vinzant moved that Inframark be authorized to repair the fire hydrants as discussed, the outfall be cleaned and the two (2) accounts be forwarded to collections, as recommended by Inframark. Director Fitzgerald seconded the motion, which unanimously carried. The Board concurred to include the flyer regarding flushables on the District's website when it is live.

In connection with the 216 Agreement, Ms. Henderson advised that the attorney for MUD 216 inquired if the District would enter into a cost agreement relative to the water taken rather than the take-or-pay concept currently in the 216 Agreement. A discussion ensued regarding the terms of such an agreement. It was noted that, once the District's second water well is operational, the District may no longer need to take water from MUD 216. Ms. Henderson advised that she will further discuss same with the MUD 216 attorney and report back with necessary steps. Director Dalton moved that Ms. Henderson begin discussions with MUD 216. Director Pichon seconded said motion, which unanimously carried.

CRITICAL LOAD STATUS

Ms. Henderson then reported that Section 13.1396 of the Texas Water Code requires that a district must annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, its facilities which qualify for critical load status and requested that the Board authorize Inframark to make such annual filing on behalf of the District. After discussion, Director Fitzgerald moved that Inframark be authorized to make the District's annual critical load status filing on behalf of the District. Director Dalton seconded the motion, which carried unanimously.

STORM WATER SOLUTIONS, LLC ("SWS") RREPORT AND APPROVAL OF PROPOSAL

Ms. Sears presented and reviewed a Storm Water Quality Inspection Report for the month of February 2024 prepared by SWS, a copy of which is attached hereto as **Exhibit E**. In connection therewith, she reported that there is a need to repair the screens within the Green Trails Section II Oil, Grit, and Trash Separator Unit and presented a proposal for removal of the screen. She additionally noted the steel is too large to remove from the manhole, so additional work will be required. After discussion, Director Fitzgerald moved to authorize SWS to make the repair on behalf of the District for a total amount of \$6,532, subject to receipt of a completed TEC form 1295. Director Dalton seconded the motion, which unanimously carried.

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.

SECURITY MATTERS

Discussion ensued regarding security matters throughout the District. In connection therewith, Ms. Henderson presented to and reviewed with the Board the Green Trails Monthly Reports dated as of January 2024, and February 2024, and the Harris County Constable Pct 5 Beat Activity Reports for the months of January 2024, and February 2024, copies of which are attached hereto as **Exhibit F**.

MASS COMMUNICATION MESSAGING SYSTEM; STATUS OF CREATION OF A DISTRICT WEBSITE BY CLASSIC MESSAGING LLC ("CLASSIC")

Ms. Henderson advised the Board that creation of the District's website is in process. She also noted that the Board will be presented with a preview of the website, prior to it going live. Ms. Henderson confirmed that no action was required by the Board at this time.

AMENDMENT TO THE EMERGENCY AND INTERIM WATER SUPPLY AGREEMENT WITH GREEN TRAILS MUNICIPAL UTILITY DISTRICT ("GREEN TRAILS")

The Board considered an amendment to the Emergency and Interim Water Supply Agreement between the District and Green Trails (the "Emergency Water Supply Agreement"). In connection therewith, Director Dalton moved to authorize Ms. Henderson to contact Green Trails to discuss amendment of such Agreement such that the rate would increase from the current \$0.63 to \$1.00 per 1,000 gallons. Director Pichon seconded said motion, which unanimously carried.

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 President announced at 1:21 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code, Sections 551.071 and 551.072. All of those in attendance, with the exception of the Board, Mr. Robinett, Ms. Knox, Ms. Kanarr and Ms. Henderson, exited the meeting at this time.

Mr. Robinett exited the meeting during Closed Session.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:51 p.m., with the Board, Ms. Knox, Ms. Kanarr and Ms. Henderson in attendance.

Following discussion of matters relative to the pending litigation involving the District and the possible acquisition of property owned by Second Baptist Church for the drilling of a second water well, Director Pichon moved to allow Director Dalton to negotiate with Second Baptist Church on behalf of the District pursuant to the terms discussed in Closed Session. Director Vinzant seconded this motion, which unanimously carried.

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.

The Board then requested Ms. Henderson determine the District in-District meeting location.

ADJOURNMENT

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


Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor/Collector Report
- Exhibit C –** Engineering Report
- Exhibit D –** Operations Report
- Exhibit E –** Storm Water Solutions Proposal
- Exhibit F –** Green Trails Monthly Reports dated as of January 2024, and February 2024 and Harris County Constable Pct. 5 Beat Activity Reports