

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

March 20, 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 March 20, 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 Directors Kingma and Vinzant, thus constituting a quorum.

Also present were Robert Miller of Inframark, LLC ("Inframark"); Yaneth Castillo of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett of Costello Engineers, Inc. ("Costello"); Angela Smith, resident of the District; and Kate Henderson and Linda Knox 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 regarding the need for improved communications between the District and the District's residents and lack of readily available information regarding the District on the internet.

APPROVAL OF MINUTES

As the next order of business, the Board reviewed the minutes of its meeting held on February 20, 2023. After discussion of the minutes presented, Director Dalton moved that the minutes of the February 20, 2023, Board meeting be approved, as written. Director Wright seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Castillo presented to and reviewed with the Board the Bookkeeper's Report dated March 20, 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 February 2023, 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, 2023, a copy of which is attached to the Bookkeeper's Report. Following discussion, Director Pichon moved that the Board (i) approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check nos. 11382 and 11384, which were voided, and the addition of check nos. 3127, 3128, 5124 and 5125, relative to the renewal of the District's insurance coverages, 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 Dalton seconded the motion, which unanimously carried.

Ms. Castillo recalled for the Board the discussion previously had at the February 20, 2023, Board meeting regarding the District's ability to purchase Certificates of Deposit ("CDs") with terms of two to three (2-3) years in lieu of the normal term length of twelve (12) months. In connection therewith, Ms. Castillo advised the Board that the District has the ability to purchase CDs with terms of up to twenty-four (24) months. Ms. Henderson noted that the District's current Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Investment Policy") confirms the District's ability to purchase CDs with terms of up to twenty-four (24) months, as stated by Ms. Castillo. Following discussion, the Board concurred to hold off on the purchasing of CDs at this time, and noted that it would reconsider the matter as the condition of the investment market stabilizes.

CLIENT SERVICES AGREEMENT WITH HR&P, INC. ("HR&P")

Ms. Castillo advised the Board that MA&C is now offering direct deposit service for director per diem and expense reimbursement payments through HR&P, Inc. ("HR&P"), a third party payroll provider, and provided the Board with a summary of the program and its costs and benefits. Following discussion on the matter, the Board concurred to defer taking action to participate in the HR&P program until next month's meeting and requested that Ms. Castillo assess the District's current financials to determine whether participation in the HR&P program would result in cost savings to the District.

ADOPTION OF RESOLUTION AUTHORIZING ELECTRONIC TRANSFER OF FUNDS FOR DIRECTOR PER DIEMS AND EXPENSE REIMBURSEMENTS

The Board deferred taking action to adopt a Resolution Authorizing Electronic Transfer of Funds for Director Per Diems and Expense Reimbursements until next month's meeting.

UNCLAIMED PROPERTY REPORT

As the next order of business, the Board considered authorizing the District's consultants to research unclaimed property and MA&C to prepare an Unclaimed Property Report as of March 1, 2023. After discussion, Director Dalton moved that the District's Operator, Tax Assessor-Collector and Bookkeeper 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 an Unclaimed Property Report, if necessary, for the Board's consideration, approval and filing with the Comptroller prior to July 1, 2023. 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 28, 2023, 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 Wright, seconded by Director Dalton and unanimously carried, that the Tax Assessor-Collector Report dated as of February 28, 2023, be approved, and that the disbursements identified therein be authorized for payment from the District's Tax Account, with the addition of check no. 5123, payable to Admthe Rahul.

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 20, 2023, a copy of which is attached hereto as **Exhibit C**.

Mr. Robinett provided the Board with an update regarding the repair and potential widening of the sidewalks and trails located within the boundaries of the District (the "Sidewalk Repair Project"). In connection therewith, Mr. Robinett reminded the Board that Harris County Municipal Utility District No. 346 ("No. 346") and Harris County Precinct 4 ("Pct. 4") have agreed to fund the Sidewalk Repair Project at a cost to be shared between No. 346 and Pct. 4. In that regard, Mr. Robinett advised the Board that he reached out to Pct. 4 regarding (i) the status of completion of the Interlocal Agreement between Pct. 4 and No. 346 relative to the Sidewalk Repair Project, and (ii) Pct. 4's decision in response to the Board's request that all sections of the District's sidewalk/trails be repaired by utilizing an 8' wide asphalt trail instead of the 5' wide concrete sidewalk that was proposed by Pct. 4 for certain sections of said sidewalks/trails. Mr. Robinett advised that he has not yet received a response from Pct. 4.

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

In connection with the possible acquisition of property owned by Second Baptist Church (the "Church") for the drilling of a second water well, Ms. Henderson reported that the Board of Directors of No. 346 has determined that it is amenable to proceeding with submitting an offer to the Church for the purchase of the Site. Ms. Henderson additionally reported that SPH transmitted the District's offer to the Church for purchase of the Site, as previously authorized by the Board. She advised that no response had been received to date.

OPERATIONS REPORT

Mr. Miller presented to and reviewed with the Board the Operations and Maintenance Report ("Operations Report") for the month of February 2023, a copy of which is attached hereto as **Exhibit D**.

Mr. Miller reminded the Board that the well motor located at the District's Water Plant experienced a failure and was pulled from service for repair. In connection therewith, Mr. Miller advised the Board that Inframark filed an insurance claim with Brown & Brown Lone Star Insurance Services Inc. ("Brown & Brown"), the District's insurance provider, and that such claim was approved. He further advised that the District received a check from Brown & Brown in the amount of \$26,697.40 to cover the repair of the well motor.

In connection with the Emergency Water Supply Contract between the District, No. 346, and Harris County Municipal Utility District No. 216 ("No. 216"), as amended, Ms. Henderson reminded the Board that the District is required to take or pay for 30,000,000 gallons of water per year, and in the event the District fails to receive 30,000,000 gallons of water (through no fault of No. 216), the District is required to pay for 30,000,000 gallons of water as though it had been received. In that regard, Ms. Henderson advised the Board that SPH has followed up with No. 216 regarding the status of the District's receipt of the annual water supply invoice for the 2022 calendar year and received a response that No. 216 is in the process of preparing such invoice. Ms. Henderson advised that she would keep the Board apprised of any updates relative to this matter.

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 Pichon moved that Inframark be authorized to make the District's annual critical load status filing on behalf of the District. Director Wright seconded the motion, which carried unanimously.

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 Adopting Prevailing Wage Rate Scale for Construction Projects (the "Wage Rate 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 Pichon 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 Wage Rate Resolution, attached hereto as **Exhibit E**, 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 February 2023, and a Harris County Constable Pct 5 Beat Activity Report for the month of February 2023, copies of which are attached hereto as **Exhibit F**.

STATUS OF IMPLEMENTATION OF MASS COMMUNICATION MESSAGING SYSTEM BY CLASSIC MESSAGING LLC ("CLASSIC MESSAGING") AND DISCUSSION REGARDING OPT-IN CAMPAIGN RELATIVE TO SAME

The Board discussed the status of the implementation of a mass communication messaging system through Classic Messaging and the Opt-In Campaign relative to same. In connection therewith, the Board requested that Mr. Miller ensure that the instructional information for the Opt-In Campaign is included on the District's page of Inframark's website, as well as in every customer water bill for all billing cycles moving forward. Director Pichon additionally requested to receive additional information for discussion at next month's meeting regarding the structure and functionality of the landing page for Inframark's website. Mr. Miller confirmed that he would address the Board's requests and provide an update relative to same at next month's meeting.

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 Wright, seconded by Director Pichon 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 –** Operations Report
- Exhibit E –** Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit F –** Green Trails Monthly Report dated as of February 2023 and Harris County Constable Pct. 5 Beat Activity Report