

## HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

### Minutes of Meeting of Board of Directors March 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 March 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 Directors Wright and Kingma, thus constituting a quorum.

Also present were Allen Jenkins of Inframark Water Infrastructure Operations ("Inframark"); Kayla Crigger of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett and Ralph Wissel of Costello Engineers, Inc. ("Costello"); and Kate Henderson and Peyton Ellis 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 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 February 21, 2022. After discussion of the minutes presented, Director Dalton moved that the minutes of the February 21, 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 March 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 February 2022, and a Cash Flow Forecast. Ms. Crigger 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, 2022, 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 nos. 11106 and 11107, which were 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 Pichon seconded said motion, which unanimously carried.

#### **RATIFICATION OF PRIOR ACTION AUTHORIZING SOLICITATION OF BOOKKEEPING PROPOSALS**

Ms. Henderson requested that the Board ratify its prior action to authorize SPH to solicit proposals for bookkeeping services. Following discussion, Director Dalton moved that the Board's prior action to authorize SPH to solicit for proposals for bookkeeping services be authorized and ratified in all respects. Director Pichon seconded the motion, which unanimously carried.

#### **PROPOSALS FOR BOOKKEEPING SERVICES AND APPROVAL OF SECOND AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES BETWEEN THE DISTRICT AND MA&C**

The Board considered proposals for bookkeeping services. In connection therewith, Ms. Henderson advised the Board that SPH solicited proposals for bookkeeping services from five (5) bookkeeping firms, and received a proposal from Texas Utility Bookkeeping LLC ("TUB"). She then presented to and reviewed said proposal with the Board, a copy of which is attached hereto as **Exhibit B**, and advised that a copy of the proposal was provided to Director Dalton for review in advance of today's meeting, as previously requested by the Board, and that Director Dalton did not deem it necessary to invite a representative of TUB to attend today's meeting to present said bookkeeping proposal. Ms. Henderson then reminded the Board of the previously presented 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. Following discussion, Director Dalton moved that the Board (i) decline the proposal for bookkeeping services received from TUB and continue to utilize MA&C for the District's bookkeeping services, (ii) approve the Agreement between the District and MA&C, and (iii) authorize the Board President and Secretary to execute the Agreement on behalf of the Board and the District. Director Pichon seconded the motion, which unanimously carried.

#### **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, 2022. After discussion, Director Vinzant 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 be authorized to prepare an Unclaimed Property Report, if necessary, for the Board's consideration, approval and filing with the State Comptroller prior to July 1, 2022. Director Pichon seconded said motion, which unanimously carried.

### **AGREEMENT WITH CLASSIC MESSAGING REGARDING IMPLEMENTATION OF PROPOSED MASS COMMUNICATION MESSAGING SYSTEM**

The Board deferred consideration of an agreement with Classic Messaging for the implementation of a mass communication messaging system, as SPH has not yet received a draft of said agreement from Classic Messaging for review and comment.

### **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, 2022, including the checks presented for payment, and a Delinquent Collections Listings dated as of February 28, 2022, copies of which are attached hereto as **Exhibit C**. Following discussion on the matter, Director Pichon moved that the Tax Assessor-Collector's Report be approved and that the checks identified in the report be approved for payment. Director Vinzant seconded said motion, which carried unanimously.

Ms. Mata then advised the Board that the District is in receipt of correspondence from a District taxpayer (the "Taxpayer") requesting that the penalty and interest charges be waived in connection with the Taxpayer's tax bill. Ms. Mata explained that the Taxpayer sent payment to Wheeler's old P.O. Box number and that such payment was not received by Wheeler. She further advised that, once the Taxpayer noticed their taxes were delinquent, the Taxpayer submitted a second payment electronically and that such payment was received by Wheeler after the tax payment due date. After discussion on the matter and consideration of the facts and circumstances of the appeal, Director Pichon moved that the Taxpayer's request to waive the penalties and interest charges associated with the Taxpayer's delinquent taxes be approved, subject to confirmation the District is authorized to waive such penalty and interest in accordance with Texas Tax Code. Director Vinzant seconded the motion, which unanimously carried.

### **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 date March 21, 2022, a copy of which is attached hereto as **Exhibit D**.

In connection with the rehabilitation of the District's lift stations (the "Rehab"), Mr. Robinett advised the Board of correspondence received from Pfeiffer & Son, Ltd. ("P&S"), a

subcontractor to Lindsey Construction, Inc. ("Lindsey"), notifying the District that P&S has an outstanding and unpaid claim (the "Claim") in the amount of \$14,720.96 for labor and/or materials provided to Lindsey, the contractor for the Rehab. A copy of said correspondence is attached hereto as **Exhibit E**. Mr. Robinett further advised that Costello will discuss the claim with Lindsey.

#### **AMENDMENT TO OPERATING BUDGET FOR FISCAL YEAR ENDING JANUARY 31, 2023**

The Board deferred consideration of an amendment to the District's operating budget for fiscal year ending January 31, 2023, until next month's meeting.

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

The Board deferred discussion of the possible acquisition of property owned by Second Baptist Church for the drilling of a second water well at this time.

#### **OPERATIONS REPORT**

Mr. Jenkins presented to and reviewed with the Board the Operations and Maintenance Reports ("Operations Report") for the month of February 2022, a copy of which is attached hereto as **Exhibit F**. No action was required of the Board in connection with the Operations Report.

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

#### **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 has informed him that Green Trails postponed the recoating of its ground storage tank until later this year. Ms. Henderson reminded the Board that SPH previously transmitted a letter to Green Trails on November 18, 2021, in connection with Green Trail's request to recoat its ground storage tank during the months of March and April of 2022. Following discussion, Director Vinzant moved to authorize SPH to prepare and transmit correspondence to Green Trails to inform the Board of Directors of Green Trails and that the District will reconsider Green Trails' request once it decides to move forward with recoating its ground storage tank. Director Pichon seconded the motion, which unanimously carried.

**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.

**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.

**SUPPLEMENTAL AGENDA**

The Board considered cancellation of the Directors Election called for May 7, 2022. Ms. Henderson advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 22, 2022. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Ms. Henderson then presented and reviewed the Order Declaring Candidates Elected (the "Order"), attached hereto as **Exhibit H**. After discussion, Director Pichon moved that the Order be adopted by the Board declaring Everett Dalton and David Vinzant elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Assistant Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 7, 2022, be cancelled. Director Vinzant seconded said motion, which unanimously carried.

**CLOSED SESSION**

The President announced at 12:32 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code, Section 551.072. All of those in attendance, with the exception of the Board, Mr. Robinett, Mr. Wissel, Ms. Ellis and Ms. Henderson, exited the meeting at this time.

The Board reconvened in Regular Session at 1:08 p.m., with the Board, Mr. Robinett, Mr. Wissel, Ms. Ellis and Ms. Henderson in attendance.

Following discussion of the possible acquisition of property owned by Second Baptist Church for the drilling of a second water well, Director Dalton moved to authorize SPH to prepare an offer letter to Second Baptist Church pursuant to the terms discussed during Closed Session. Director Pichon seconded the motion, which unanimously carried.

### **FUTURE AGENDA ITEMS**

The Board considered items for placement on future agendas. Director Pichon requested that SPH include an item on next month's agenda to discuss the status of the Harris County Flood Control District's Barker Reservoir Sediment Removal Project.

### **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 - Texas Utility Bookkeeping LLC Proposal for Bookkeeping Services
- Exhibit C - Tax Assessor/Collector Report
- Exhibit D - Engineering Report
- Exhibit E - Correspondence received from Pfeiffer & Son, Ltd.
- Exhibit F - Operations Report
- Exhibit G - Green Trails Monthly Report dated as of February 2022 and Harris County Constable Pct 5 Beat Activity Report
- Exhibit H - Order Declaring Candidates Elected