

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

November 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 November 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, except Director Kingma, thus constituting a quorum.

Also present were Robert Miller and Allen Jenkins of Inframark, LLC ("Inframark"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett of Costello Engineers, Inc. ("Costello"); Bear Oakley of Acclaim Energy Advisors ("Acclaim"), who entered the meeting after it had been called to order as noted below; Kendra Davis and Darrell Hatch of the Harris County Public Health Department (the "HCPH"), who entered the meeting after it had been called to order as noted below; 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. There were no members of the public present, however, Ms. Henderson presented the Board with email correspondence the District received from resident Angela Smith, a copy of which is attached hereto as **Exhibit A**.

A discussion next ensued regarding Ms. Smith's request that the Board consider providing a virtual or teleconference option for Board of Directors meetings. After discussion, the Board determined not to add an item to a future agenda for such an option at this time.

APPROVAL OF MINUTES

As the next order of business, the Board reviewed the minutes of its meeting held on October 16, 2023. After discussion of the minutes presented, Director Wright moved that the

minutes of the October 16, 2023, Board meeting be approved, as written. Director Vinzant seconded the motion, which unanimously carried.

ACCEPTANCE OF RESIGNATION OF DIRECTOR KINGMA AND DISCUSSION REGARDING APPOINTMENT OF A NEW DIRECTOR

There was next presented to the Board a letter of resignation from Director Kingma resigning his position as a Director of the District, effective as of November 20, 2023. Upon motion duly made by Director Dalton, seconded by Director Pichon and unanimously carried, said resignation letter was accepted, effective as of November 20, 2023. The Board expressed its appreciation to Director Kingma for his thirteen years of dedication and service as a Director of the District.

Mr. Oakley entered the meeting at this time.

A discussion next ensued regarding the appointment of a new Director to fill the vacancy on the Board created by the resignation of Director Kingma. In that regard, Ms. Henderson distributed copies of resumes received from eleven (11) residents of the District interested in serving as a Director of the District. After discussion on the matter, it was moved by Director Vinzant, seconded by Director Pichon and unanimously carried, that Directors Dalton and Wright be authorized to serve on a sub-committee to interview the potential candidates for appointment as a Director of the District and to provide their recommendations regarding same at a special Board of Directors meeting to be scheduled for the first or second week of December 2023.

REORGANIZATION OF THE BOARD OF DIRECTORS

The Board considered its reorganization and the election of officers of the Board and the District. A vacancy was declared to exist in the office of Secretary of the Board, and a nomination was made to elect Director Pichon for the office. After discussion, Director Dalton moved that Director Pichon be duly elected as Secretary of the Board and the District, and that Directors Dalton, Wright and Vinzant continue to serve on the Board in their current respective positions. Director Vinzant seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board a Bookkeeper's Report dated November 20, 2023, a copy of which is attached hereto as **Exhibit B**, 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 September 2023, and a Cash Flow Forecast. Following discussion, Director Pichon moved that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, except for check no. 11568, which was voided. Director Dalton seconded the motion, which unanimously carried.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265

The Board next considered the status of the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. Ms. Henderson advised that pursuant to such energy efficiency and reporting requirements, the District must report its annual electricity usage and cost and make said report accessible to the public. Mr. Oakley then presented for the Board's review an Electricity Utility Usage and Expense Report in order to satisfy said energy reporting requirements, a copy of which is attached hereto as **Exhibit C**. Ms. Henderson then noted that no further action is required for compliance.

Ms. Davis and Mr. Hatch entered the meeting at this time.

APPROVAL OF ENERGY MANAGEMENT AGREEMENT

Mr. Oakley next presented to and reviewed with the Board a proposed Energy Management Agreement by and between the District and Acclaim for consulting services with respect to procurement energy supply management, as well as other additional energy related services, a copy of which is attached hereto as **Exhibit D**. After discussion on the matter, it was moved by Director Vinzant, seconded by Director Wright and unanimously carried, that the Energy Management Agreement be approved, that the President be authorized to execute same on behalf of the Board and the District, and that the Texas Ethics Commission Form 1295 submitted by Acclaim in connection therewith be accepted by the District.

Mr. Oakley exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Mata presented to and reviewed with the Board the Tax Assessor-Collector's Report as of October 31, 2023, including the checks presented for payment, a copy of which is attached hereto as **Exhibit E**. Following review and discussion of the report presented, it was moved by Director Wright, seconded by Director Vinzant, and unanimously carried, that the Tax Assessor-Collector's Report as of October 31, 2023, 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

Mr. Robinett next presented to and reviewed with the Board an Engineering Report dated November 20, 2023, a copy of which is attached hereto as **Exhibit F**, relative to the status of various engineering and construction projects within the District. Mr. Robinett addressed the Board regarding the need for certain adjustments to the District's Five-Year Capital Improvement Plan ("CIP") and requested the Board's authorization to update same, as further detailed in the

Engineering Report. Director Pichon then requested that Mr. Robinett confirm that the cost projections include inflation. After discussion, it was moved by Director Dalton, seconded by Director Pichon and unanimously carried, that the Engineering Report and all action items listed therein be approved, including authorizing Costello to update and adjust the District's CIP as reflected in the Engineering Report, with the CIP to be extended to ten (10) years.

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

A discussion next ensued regarding the possible acquisition of property owned by Second Baptist Church (the "Church") for the drilling of a second water well. In that regard, Ms. Henderson advised the Board that an updated offer for purchase of the subject property was submitted to the Church on November 17, 2023.

PRESENTATION FROM HCPH REGARDING PARTICIPATION IN WASTEWATER-BASED EPIDEMIOLOGY PROGRAM

The Board next recognized Ms. Davis and Mr. Hatch, who addressed the Board concerning the HCPH's Wastewater-Based Epidemiology Program (the "Program"). Ms. Davis and Mr. Hatch then responded to several inquiries from the Board regarding the Program.

Ms. Davis and Mr. Hatch exited the meeting at this time.

A discussion next ensued regarding the possibility of the District participating in the Program, including the Board's concerns with same. After discussion, the Board elected not to move forward with the Program at this time.

OPERATIONS REPORT

Mr. Miller presented to and reviewed with the Board the Operations Report for the month of October 2023, a copy of which is attached hereto as **Exhibit G**. With respect to the water main break that occurred in the District last month, Mr. Miller advised the Board that the cost to repair the water main break was approximately \$7,200.00.

Mr. Miller reported that the Texas Commission on Environmental Quality and Inframark conducted water quality testing of the District's system for arsenic levels on November 7, 2023, and that the test results have not yet been received.

Mr. Miller advised the Board that all restrictions under the District's Drought Contingency Plan were rescinded on November 14, 2023, and the signs around the District had been removed.

A discussion next ensued regarding the amount of water that has been received by the District through the interconnect with Harris County Municipal Utility District No. 216 ("No. 216"), during the calendar year 2023 to date, as reflected in the Operations Report. Mr. Miller advised the Board that, because the District's water well was out of service for an extended period of time over the past summer due to the need for the replacement of the pump and the

District not being able to take water from No. 216 during that time period, the District will not be able to utilize the entire 30,000,000 gallons for the calendar year 2023 nor would the District be able to utilize the 16,100,000 free of charge from No. 216 in connection with their agreement regarding unutilized water during the 2022 calendar year. Mr. Miller further advised the Board, however, that if the interconnect with No. 216 is open during the beginning of the calendar year 2024, the District should be able to take the additional 16,100,000 gallons during 2024. The Board requested Inframark include information regarding usage taken during the year from No. 216 in the executive summary portion of the Operations Report.

Mr. Miller next addressed the Board concerning the repair of District facilities, which were damaged by LoneStar Utilities and Services and H&H Utilities, Inc., while working in the District, and the procedures for backcharging the contractors for such repair costs.

Mr. Miller next requested the Board's authorization to send one (1) account in the amount of \$59.86 to collections. Following discussion, Director Pichon moved to authorize Inframark to send the one (1) account in the amount of \$59.86 to collections, as requested. Director Vinzant seconded the 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 October 2023, and a Harris County Constable Pct 5 Beat Activity Report for the month of October 2023, copies of which are attached hereto as **Exhibit H**.

COMMUNICATION WITH DISTRICT RESIDENTS, INCLUDING MASS COMMUNICATION MESSAGING SYSTEM BY CLASSIC MESSAGING, LLC; REVIEW OF PROPOSALS FOR DISTRICT WEBSITE

Ms. Henderson next presented for the Board's review three (3) proposals for website design and maintenance services from (i) Infinity Services, LLC, (ii) Off Cinco, and (iii) Touchstone District Services, LLC, copies of which are attached hereto as **Exhibit I**. After discussion on the matter, Director Dalton moved that the proposal received from Classic Messaging, LLC ("Classic") at the last Board meeting be accepted by the District. Director Wright seconded said motion, which unanimously carried. Ms. Henderson noted that the Amended and Restated Messaging Services Agreement by and between the District and Classic would need to be amended to include website design and maintenance services, and that she would add an item regarding same to the agenda for next month's meeting.

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.

Ms. Castillo and Ms. Mata exited the meeting at this time.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Ms. Henderson presented to and reviewed with the Board correspondence received from Masterson Advisors LLC relative to disclosure requirements imposed by Municipal Securities Rulemaking Board Rule G-10, a copy of which is attached hereto as **Exhibit J**. Following discussion, the Board concurred to formally acknowledge receipt of said annual disclosure.

Ms. Henderson then advised the Board that the District received notices regarding two (2) class action settlements with DuPont and 3M (the "Settlements") relating to the presence of PFAS (per and polyfluoroalkyl substances) in drinking water. After discussion, the Board concurred not to take action relative to the Settlements at this time.

EMINENT DOMAIN REPORT

Ms. Henderson reported that, pursuant to Section 2206.154, Texas Government Code, all political subdivisions with the power of eminent domain, including the District, are required to file an Annual Eminent Domain Report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). She explained that the report will contain the District's contact information as well as information related to the District's ability to exercise the power of eminent domain. Following discussion, it was moved by Director Vinzant, seconded by Director Pichon and unanimously carried, that the Board authorize SPH to file the Annual Eminent Domain Report with the Comptroller on behalf of the District prior to February 1, 2024, as required.

STATUS OF POTENTIAL LITIGATION INVOLVING THE DISTRICT

Ms. Henderson advised that she had nothing new to report to the Board in connection with the District's involvement in pending litigation at this time.

CLOSED SESSION

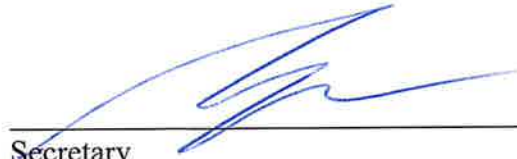
The Board determined that it was not necessary to enter into Closed Session

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 Pichon, and unanimously carried, the meeting was adjourned.


Secretary

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LIST OF ATTACHMENTS TO MINUTES

- Exhibit A –** Email Correspondence from Angela Smith
- Exhibit B –** Bookkeeper's Report
- Exhibit C –** Electricity Utility Usage and Expense Report
- Exhibit D –** Acclaim Energy Management Agreement
- Exhibit E –** Tax Assessor-Collector's Report
- Exhibit F –** Engineering Report
- Exhibit G –** Operations Report
- Exhibit H –** Green Trails Monthly Report dated as of September 2023 and Harris County Constable Pct. 5 Beat Activity Report
- Exhibit I -** Proposals for Website Design and Maintenance Services
- Exhibit J –** Correspondence regarding Municipal Securities Rulemaking Board Rule G-10