

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors November 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 November 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, thus constituting a quorum.

Also present were Allen Jenkins and Robert Miller of Inframark Water Infrastructure Operations ("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"); 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 October 17, 2022. After discussion of the minutes presented, Director Kingma moved that the minutes of the October 17, 2022, Board meeting be approved, as written. Director Vinzant seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Castillo presented to and reviewed with the Board the Bookkeeper's Report dated November 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 October 2022, 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. Director Dalton 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 October 31, 2022, 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 duly moved by Director Vinzant, seconded by Director Pichon and unanimously carried, that the Tax Assessor-Collector Report dated as of October 31, 2022, 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 November 21, 2022, a copy of which is attached hereto as **Exhibit C**.

In connection with the purchase and installation of two (2) generators to be located at the District's Lift Station Nos. 1 and 2, and one (1) generator to serve the District's Joint Wastewater Treatment Plant located within Longhorn Town Utility District (the "Generator Project"), Mr. Robinett advised the Board that the notice to proceed was issued to W-Industries, the contractor for the Generator Project, on October 14, 2022. He further advised that he expects W-Industries to complete the Generator Project by December 2023.

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, and that No. 346 and Pct. 4 have been in the process of entering into an Interlocal Agreement relative to same. Mr. Robinett advised the Board that he will keep the Board apprised of any updates he receives from David Loe, Parks Director for Pct. 4, in connection with the Sidewalk Repair Project. Following discussion, no action was required by the Board in connection with the Engineer's Report.

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 (the "Property"), Ms. Henderson advised the Board that the Board of Directors of Harris County Municipal Utility District No. 346 ("No. 346") will consider and discuss at its Board meeting scheduled for today, the site proposed by the District for the drilling of the second water well and the associated easements that the District will need to acquire for said well. She further advised that if SPH receives word of No. 346's confirmation to move forward with the second water well site and associated easements from No. 346's engineer, SPH will send an offer letter to the Church for purchase of the Property, as previously authorized by the Board.

OPERATIONS REPORT

Mr. Miller presented to and reviewed with the Board the Operations and Maintenance Report ("Operations Report") for the month of October 2022, a copy of which is attached hereto as **Exhibit D**. Following discussion, no action was required of the Board in connection with the Operations Report.

IMPLEMENTATION BY INFRAMARK OF CENTRAL BANK ELECTRONIC LOCK BOX PROGRAM ("CENTRAL BANK ELB PROGRAM")

Mr. Miller next informed the Board that Inframark is moving its Electronic Lock Box ("ELB") payment program from its current internal billing software company to Central Bank. In connection therewith, Mr. Miller advised the Board that implementation of the Central Bank ELB Program will provide the following, among other things: (i) Inframark will continue to maintain its existing agreement(s) with Transaction Technologies LLC for automatic clearing house (ACH) payments, and Pace Payment Systems for electronic credit/debit card payments; (ii) the Central Bank ELB Program will provide an additional option for customers to make "checkless" payments using their preferred banking institution's online bill payment system; and (iii) other than a \$7.50 fee for non-sufficient funds and/or returned payments, which will be passed through to District customers in accordance with the District's Rate Order, there will be no fees incurred by the District under the Central Bank ELB Program.

Mr. Miller then presented to and reviewed with the Board a proposed Processing Agreement between the District and Central Bank, a proposed Resolution Approving Central Bank's Electronic Lockbox Payment Services for District Customers, and a proposed Addendum to Operator Service Agreement by and between the District and Inframark (collectively, the "Program Enrollment Documents"), and requested that the Board consider authorizing Inframark to move the District's Lockbox account to Central Bank and approving the Program Enrollment Documents and authorizing the President to execute same on behalf of the Board and the District. Following discussion, Director Pichon moved that the Board (i) authorize Inframark to move the District's Lockbox

account to Central Bank, (ii) approve the Program Enrollment Documents, as presented, (iii) authorize the President to execute same on behalf of the Board and the District, and (iv) authorize SPH to accept and acknowledge the Texas Ethics Commission Form 1295s submitted by Central Bank and Inframark in connection with the Program Enrollment Documents, as required. Director Wright seconded the motion, which carried unanimously. Copies of the Program Enrollment Documents are attached hereto as **Exhibit E**.

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

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

The Board considered an amendment to the Emergency and Interim Water Supply Agreement between the District and West Park (the "Emergency Water Supply Agreement"). In connection therewith, Ms. Henderson reminded the Board that SPH previously contacted West Park's attorney to discuss an amendment to the Emergency Water Supply Agreement to provide for an increase in the cost paid by West Park to the District for usage of water, from \$0.75 per thousand gallons of water used to \$1.00 per thousand gallons of water used. In that regard, Ms. Henderson advised the Board that she followed up with West Park's attorney to inquire whether West Park desired to amend the Emergency Water Supply Agreement and received a response that West Park will be considering the matter at its next Board meeting. Following discussion, Ms. Henderson advised the Board that she would keep the Board apprised of any updates regarding West Park's decision.

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. Director Pichon advised the Board that since its last meeting, he has reviewed Classic Messaging's draft of the Opt-In Campaign letter and authorized distribution of same to the District's residents, as previously discussed by the Board. A copy of the Opt-in Campaign letter is attached hereto as **Exhibit G**. Discussion next ensued regarding the location of emergency notifications and supplemental information in connection therewith. In that regard, Director Pichon advised the Board that he would work with Mr. Jenkins to coordinate placement of emergency notifications on the District's website

through Inframark, as well as the District's capability to include a link on Classic Messaging's website to the District's website through Inframark, and vice-versa. Following discussion of the matter, Director Wright moved to authorize Director Pichon, as the Board's designated main point of contact, and Director Dalton, as the Board's designated secondary point of contact, to take any action necessary in connection with the preparation and distribution of emergency notifications to the District's residents, as necessary, on behalf of the Board and the District. Director Kingma seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, 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 H**. Following discussion, the Board concurred to formally acknowledge receipt of said annual disclosure.

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 Dalton, seconded by Director Vinzant 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, 2023, as required.

STATUS OF POTENTIAL LITIGATION INVOLVING THE DISTRICT

The President noted that the Board would discuss the District's involvement in litigation in Closed Session.

CLOSED SESSION

The President announced at 12:32 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code, Section 551.071 and Texas Government Code, Section 551.072. All of those in attendance, with the exception of the Board, Ms. Ellis and Ms. Henderson, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 12:43 p.m., with the Board, Ms. Ellis and Ms. Henderson in attendance.

Following discussion of matters relative to the pending litigation involving the District, Director Pichon moved that the Board: (i) ratify the prior action taken by Director Dalton, on behalf of the Board and the District, to authorize SPH and Costello to communicate with opposing counsel regarding the District's involvement in the pending lawsuit, and (ii) authorize Director Dalton to take any action necessary, on behalf of the Board and the District, relative to litigation matters and the pending lawsuit involving the District. Director Vinzant seconded the motion, which unanimously carried.

FUTURE AGENDA ITEMS

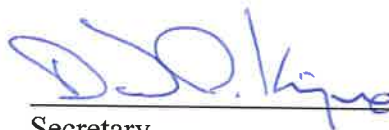
The Board considered items for placement on future agendas. Mr. Jenkins requested that an item be included on the next meeting agenda to consider amending the District's Rate Order to accommodate the adjustment of rates applicable to customer grease traps. The Board agreed to include an amendment to the District's Rate Order on the agenda for the December Board meeting.

The Board then voiced concerns regarding the City of Houston's requirement that the District convert from groundwater to surface water at some point in the future and requested a presentation from Costello on converting the District's current infrastructure to accommodate surface water and any subsidence concerns occurring within the District. Ms. Henderson advised the Board that she would relay to Mr. Robinett the Board's request for a presentation of the aforementioned information, and will include an item on a future meeting agenda for such presentation.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Pichon, seconded by Director Kingma 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 – Central Bank Lock Box Program Enrollment Documents
- Exhibit F – Green Trails Monthly Report dated as of October 2022 and Harris County Constable Pct 5 Beat Activity Report
- Exhibit G – Classic Messaging's Opt-In Campaign Letter
- Exhibit H – Correspondence regarding Municipal Securities Rulemaking Board Rule G-10