

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors October 16, 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 October 16, 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, 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"); Dominic Cashiola of Classic Messaging LLC ("Classic Messaging"); Angela Smith and David Clark, residents of the District; 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. Ms. Smith addressed the Board concerning the District's water pressure, including how the District maintains the minimum level of required water pressure during main line breaks, and inquired as to the age and condition of the District's current infrastructure and whether the District has a plan in place to refurbish said infrastructure.

Mr. Clark next addressed the Board concerning the levy of the District's 2023 tax rate, and inquired as to whether there is additional information available on the internet regarding the subject.

APPROVAL OF MINUTES

As the next order of business, the Board reviewed the minutes of its meeting held on September 18, 2023. After discussion of the minutes presented, Director Kingma moved that the

minutes of the September 18, 2023, Board meeting be approved, as written. Director Pichon seconded the motion, which unanimously carried.

PUBLIC HEARING REGARDING ADOPTION OF 2023 TAX RATE

The Board next conducted a public hearing regarding the adoption of the District's proposed 2023 tax rate. Ms. Mata confirmed that the notice of the District's intent to adopt and levy a 2023 tax rate had been mailed to all taxpayers in accordance with all legal requirements and as directed by the Board at its previous meeting.

In response to Mr. Clark's earlier comment regarding the Board's determination of the tax rate to be levied by the District each year, Director Dalton provided a detailed explanation on the Board's process for making such determination. He informed Mr. Clark of the various factors that are taken into consideration by the Board when determining the tax rate to be levied, including the District's certified taxable values and appraised home values for the applicable tax year, any current and upcoming District capital improvement projects, and the availability of funds in the District's reserve account. He then advised Mr. Clark of the District's online resources with available information regarding the District's tax rate.

There being no further comments presented by the public with respect to the District's proposed 2023 tax rate, the hearing was closed by the concurrence of the Board.

LEVY OF THE DISTRICT'S 2023 TAX RATE

The Board next discussed the setting of the 2023 tax rate. After discussion on the matter, Director Pichon moved that: (i) the Board adopt the tax rate as proposed at the District's September 18, 2023, meeting and as reflected in the notice; (ii) the Board levy a 2023 maintenance tax rate of \$0.1650 per \$100 assessed valuation; and (iii) the Order Levying Taxes, attached hereto as **Exhibit A**, be adopted in connection therewith, and that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Wright seconded said motion, which carried unanimously.

AMENDMENT TO THE AMENDED AND RESTATED DISTRICT INFORMATION FORM

Ms. Henderson next presented and reviewed with the Board a proposed Amendment to the District's Amended and Restated District Information Form (the "DIF") in connection with the District's 2023 tax rate. She advised that an Amendment of the DIF must be prepared and recorded in the Real Property Records of Harris County and subsequently filed with the Texas Commission on Environmental Quality (the "TCEQ") any time any of the required information therein changes, such as the adoption of a new tax rate. Following discussion, Director Pichon moved that the Amendment to the DIF be approved and that all of the Board members present be authorized to execute same on behalf of the Board and the District. Director Vinzant seconded said motion, which unanimously carried.

NOTIFICATION TO RESIDENTS REGARDING LEVY OF THE DISTRICT'S 2023 TAX RATE

Ms. Henderson reminded the Board that it previously indicated that it would like to distribute a letter to the District's residents informing them of the 2023 tax rate levied by the District. In that regard, Ms. Henderson presented and reviewed with the Board a draft of such letter to the District's residents, which was prepared by SPH and circulated to the Board for comment in advance of today's meeting. Following discussion of the draft letter presented, it was moved by Director Vinzant, seconded by Director Wright, and unanimously carried, that: (i) the draft letter be approved, subject to the incorporation of the Board's comments to same by SPH, and (ii) Director Dalton be authorized to approve and authorize the distribution of the final letter to the District's residents, on behalf of the Board and the District. A copy of the letter is attached hereto as **Exhibit B**.

COMMUNICATION WITH DISTRICT RESIDENTS, INCLUDING MASS COMMUNICATION MESSAGING SYSTEM BY CLASSIC MESSAGING; OPTIONS FOR POTENTIAL DISTRICT WEBSITE

Mr. Cashiola presented to and reviewed in detail with the Board a Member Database Report and Opt-In Response Report relative to the District's mass communication messaging system, copies of which are attached hereto as **Exhibit C**. In connection therewith, Director Pichon advised the Board that a water main break had occurred in the District prior to today's meeting, and that he coordinated with Inframark and Classic Messaging to distribute notifications to the District's residents through the mass communication messaging system regarding the incident. It was noted that the Board would further discuss the water main break incident during the Operations Report.

Mr. Cashiola next gave a presentation to the Board regarding the various website services offered by Classic Messaging. The Board addressed Mr. Cashiola with several questions regarding such website services, to which Mr. Cashiola responded. Following discussion, the Board concurred to move forward with implementing a District website, and requested that SPH obtain additional proposals from the other website service providers that it had previously received mass communications proposals from for consideration at next month's Board meeting. No action was taken by the Board in connection with Classic Messaging's presentation on the matter at this time.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board a Bookkeeper's Report dated October 16, 2023, a copy of which is attached hereto as **Exhibit D**, 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 August 2023, and a Cash Flow Forecast. Following discussion, Director Kingma moved that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein. Director Dalton seconded the motion, which unanimously carried.

Mr. Cashiola exited the meeting at this time.

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. Ms. Henderson advised the Board that Acclaim Energy Advisors will be present at next month's meeting to present such report.

ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER; ADOPTION OF RESOLUTION AND AMENDED ORDER IN CONNECTION THEREWITH

The Board next considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy") and the adoption of a Resolution in connection therewith. In that regard, Ms. Henderson reviewed with the Board SPH's recommended changes to the District's Investment Policy and presented for the Board's approval an amended Investment Policy and a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"), copies of which are attached hereto as **Exhibit E**. Following review and discussion, Director Dalton moved that the Board (i) approve the amended Investment Policy reflecting SPH's recommended changes, as discussed, (ii) adopt the Resolution in connection therewith, and (iii) authorize the President and Secretary to execute the Investment Policy and the Resolution on behalf of the Board and the District. Director Kingma 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 as of September 30, 2023, including the checks presented for payment, a copy of which is attached hereto as **Exhibit F**. 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 September 30, 2023, be approved, and that the disbursements identified therein be authorized for payment from the District's Tax Account.

DELINQUENT TAX REPORT

Ms. Henderson presented to and reviewed with the Board a Delinquent Tax Report dated October 16, 2023, prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., the District's delinquent tax collection attorney, a copy of which is attached hereto as **Exhibit G**. Following discussion, the Board noted that there were no action items associated with the Delinquent Tax Report.

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 October 16, 2023, a copy of which is attached hereto as **Exhibit H**.

In connection with the purchase and installation of two (2) generators to be located at the District's Lift Station Nos. 1 and 2 (the "Lift Station Generators"), and one (1) generator to serve the District's Joint Wastewater Treatment Plant located within Longhorn Town Utility District (the "WWTP Generator"), Mr. Robinett advised the Board that the projected timeframe for the District's receipt of the WWTP Generator has been further delayed from February 2024 to April 2024. He noted that the Lift Station Generators are still expected for delivery in January 2024.

Mr. Robinett next advised the Board of recent revisions to the Lead and Copper Rule (the "Rule") promulgated by the Environmental Protection Agency ("EPA"). In that regard, Mr. Robinett explained that the new Rule requires the District to prepare an inventory of the service lines connected to its distribution system and provide such inventory to the Texas Commission on Environmental Quality ("TCEQ") by October 16, 2024. He further advised that Costello and Inframark will begin working to prepare and submit the required service line inventory to the TCEQ by the October 16, 2024 deadline. Following discussion, the Board requested that the District's GIS database be updated in accordance with the findings of the service line inventory, as necessary.

In response to Ms. Smith's earlier inquiry regarding the District's plan for the refurbishment of its infrastructure, Mr. Robinett reminded the Board of the District's Five-Year Capital Improvement Plan prepared by Costello in August of 2022.

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

The President noted that the Board would discuss the possible acquisition of property owned by Second Baptist Church for the drilling of a second water well in Closed Session.

OPERATIONS REPORT

Mr. Miller presented to and reviewed with the Board the Operations Report for the month of September 2023, a copy of which is attached hereto as **Exhibit I**. In connection therewith, Mr. Miller requested the Board's authorization to send one (1) account in the amount of \$31.83 to collections. Following discussion, Director Pichon moved to authorize Inframark to send the one (1) account in the amount of \$31.83 to collections, as requested. Director Wright seconded the motion, which unanimously carried.

Mr. Miller then reminded the Board of the three (3) bill adjustment requests presented at the last Board meeting and presented to and reviewed with the Board a Leak Adjustment Request report (the "Report"), including the aforesaid three (3) requests for adjustment received from District residents, a copy of which is included in **Exhibit J**. Following discussion, Director

Pichon moved that: (i) Inframark be authorized to grant the three (3) requests for leak adjustment identified in the Report, and (ii) a policy be implemented, moving forward, that authorizes Inframark to automatically grant leak adjustments to all residents requesting less than \$150.00 in total adjustment amount for a period of no more than three (3) months. Director Wright seconded the motion, which unanimously carried. The Board instructed Inframark that all other requests for leak adjustment that do not meet the aforementioned criteria will need to be brought before the Board for consideration at a Board meeting.

Mr. Miller next advised the Board that the District has received a request from the Harris County Public Health Department ("HCPH") to consider participating in HCPH's Wastewater-Based Epidemiology Program (the "Program"), and presented to and reviewed with the Board an informational handout regarding the Program, a copy of which is included in the Operations Report. Following discussion, the Board requested that a representative of HCPH be invited to attend next month's Board meeting to provide additional information regarding the Program.

The Board then resumed its earlier discussion regarding the water main break that occurred in the District prior to today's meeting. In connection therewith, Mr. Miller presented to and reviewed in detail with the Board the timeline of events for the water main break, a copy of which is attached hereto as **Exhibit K**. Mr. Miller confirmed that the District was not required to issue a Boil Water Notice relative to the water main break, as the District's water pressure never dropped below the 20PSI minimum that triggers the required issuance of a Boil Water Notice.

Ms. Mata exited the meeting during the Operations Report.

TESTING OF DISTRICT'S WATER SUPPLY

Discussion ensued regarding matters associated with the District's water quality. Mr. Miller reminded the Board that the TCEQ previously conducted its quarterly water quality testing of the District's system on August 18, 2023, and that the independent samples collected from the District's water system confirmed the District's compliance with the maximum contaminant levels set by the EPA and the TCEQ. In that regard, Ms. Henderson reported that the District is in receipt of the results of the TCEQ's aforementioned water quality testing of the District's system, and that such results also reflect the District's compliance with the maximum contaminant levels set by the EPA and the TCEQ. Following discussion, the Board concurred to continue with the collection of independent samples from the District's water system for water quality testing, in correlation with the TCEQ's quarterly water quality testing schedule, until further notice.

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 September 2023, and a Harris County Constable Pct 5 Beat Activity Report for the month of September 2023, copies of which are attached hereto as **Exhibit L**.

Director Vinzant exited the meeting at this time.

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.

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.

STATUS OF POTENTIAL LITIGATION INVOLVING THE DISTRICT

The President noted that the Board would discuss the status of potential litigation involving the District in Closed Session.

CLOSED SESSION

The President announced at 2:13 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. Ellis 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 2:21 p.m., with the Board, Ms. Ellis 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, no action was taken by the Board.

FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. In that regard, Director Kingma announced that he will be resigning from the Board of Directors at the November Board meeting due to his moving outside of the boundaries of the District. Discussion then ensued regarding the potential appointment of a new director to fill the vacancy on the Board of Directors following Director Kingma's resignation. Following discussion, the Board concurred to distribute a non-emergency notification to the District's residents, informing them of the upcoming vacancy on the Board of Directors and inviting those interested in serving on the

Board to submit resumes by 5:00 p.m. on November 13, 2023, for the Board's review and consideration at its next meeting.

ADJOURNMENT

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

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Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A –** Order Levying Texas 2023
- Exhibit B –** Letter to Residents regarding Levy of District's 2023 Tax Rate
- Exhibit C –** Classic Messaging Member Database Report and Opt-In Response Report
- Exhibit D –** Bookkeeper's Report
- Exhibit E –** Order Establishing Policy for Investment of District Funds and Appointing Investment Officer and Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit F –** Tax Assessor/Collector Report
- Exhibit G –** Delinquent Tax Report
- Exhibit H –** Engineering Report
- Exhibit I –** Operations Report
- Exhibit J –** Leak Adjustment Requests
- Exhibit K –** Timeline of Events for Water Main Break
- Exhibit L –** Green Trails Monthly Report dated as of September 2023 and Harris County Constable Pct. 5 Beat Activity Report