

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors October 17, 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 October 17, 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 Dalton and Wright, thus constituting a quorum. Director Dalton entered the meeting after it was called to order, as noted herein.

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 and Emma Highberger 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").

In the absence of the President and the Vice President, the Secretary as President Pro Tem 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 September 19, 2022. After discussion of the minutes presented, Director Pichon moved that the minutes of the September 19, 2022, Board meeting be approved, as written. Director Vinzant seconded said motion, which unanimously carried.

Director Dalton entered the meeting at this time.

PUBLIC HEARING REGARDING ADOPTION OF 2022 TAX RATE

The Board next conducted a public hearing regarding the adoption of the District's proposed 2022 tax rate. Ms. Mata confirmed that the notice of the proposed tax rate had been published in *The Houston Chronicle* in accordance with all legal requirements and as directed by the Board at its previous meeting. After noting that there were no members of the general public present at the meeting, the public hearing was closed.

LEVY OF THE DISTRICT'S 2022 TAX RATE

The Board next discussed the setting of the 2022 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 19, 2022, meeting and as reflected in the notice; (ii) the Board levy a 2022 maintenance tax rate of \$0.1750 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 Vinzant seconded said motion, which carried unanimously.

APPROVAL AND EXECUTION OF AN AMENDED 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 "Information Form") in connection with the District's 2022 tax rate. She advised that an Amendment of the Information Form must be prepared and recorded in the Real Property Records of Harris County and filed with 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. After discussion regarding said Information Form, Director Kingma moved that the Amendment to the Information Form be approved and that all of the Board members present be authorized to execute same on behalf of the Board and the District. Director Pichon seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Castillo presented to and reviewed with the Board the Bookkeeper's Report dated October 17, 2022, 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 2022, and a Cash Flow Forecast. Following discussion, Director Dalton moved that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check no. 11275, which was voided. Director Vinzant seconded said motion, which unanimously carried.

COMPLIANCE BY DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265 RELATIVE TO ENERGY REPORTING REQUIREMENTS

The Board next considered the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Ms. Henderson advised the Board that governmental entities, including the District, are required to prepare an annual report on the entities' metered usage of electricity and the aggregate costs for same. In that regard, Ms. Castillo presented and reviewed with the Board a Utility Cost & Usage Report, a copy of which is included with **Exhibit B**, and noted that the no further action is required by the District to satisfy the statutory reporting requirements.

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 connection therewith, 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 C**. Following review and discussion, Director Vinzant 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 introduced Emma Highberger to the Board, and advised that moving forward, Ms. Highberger will serve as the District's representative from Wheeler. Ms. Highberger then presented to and reviewed with the Board the Tax Assessor-Collector's Report dated as of September 30, 2022, including the checks presented for payment, a copy of which is attached hereto as **Exhibit D**. Following review and discussion of the report submitted, it was duly moved by Director Dalton, seconded by Director Pichon and unanimously carried, that the Tax Assessor-Collector Report dated as of September 30, 2022, 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 ("Report") dated October 17, 2022, 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 E**. The Board noted that there were no action items associated with the 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 17, 2022, a copy of which is attached hereto as **Exhibit F**.

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 (the "Joint WWTP Generator") located within Longhorn Town Utility District ("Longhorn"), Mr. Robinett reminded the Board that it previously took action to (i) award the contract for the purchase and installation of the Lift Station Generators, and (ii) award the contract for the purchase and installation of the Joint WWTP Generator (collectively, the "Generator Contracts"), and noted that such Generator Contracts were awarded by the Board in advance of receiving from the appropriate parties a Texas Ethics Commission Form 1295 (the "Form"), as required, for inclusion in each of the Generator Contracts. In that regard, Mr. Robinett advised the Board that Costello has since received from the appropriate parties and provided to SPH, the required Forms for each of the Generator Contracts, and requested that the Board ratify its prior action to authorize the acceptance of said Forms accordingly. Following discussion of the matter, it was moved by Director Vinzant, seconded by Director Pichon, and unanimously carried, that the Board's prior action to authorize the acceptance of the Forms submitted for inclusion in the Generator Contracts, as required, be approved and ratified in all respects. Mr. Robinett noted that the Lift Station Generators and Joint WWTP Generator are currently expected to be delivered in approximately 12-14 months, and that the Generator Contracts may consequently require an extension.

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 reported that he advised David Loe, Harris County Precinct 4 ("Pct 4") Parks Director, of the Board's preference for Pct 4 to utilize an 8' wide asphalt trail to repair that certain stretch of trail previously identified at last month's Board meeting (the "Stretch"), instead of the 5' wide concrete sidewalk that Pct 4 has proposed, and that Mr. Loe responded that he would consider it. Following discussion, the Board requested that Mr. Robinett keep the Board apprised of any updates received from Mr. Loe in connection with this matter, as the Board may be interested in contributing funds to the construction of an 8' wide asphalt trail to ensure that repair of the Stretch is in uniform with the rest of the sidewalks/trails included in the Sidewalk Repair Project.

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

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

OPERATIONS REPORT

Mr. Jenkins presented to and reviewed with the Board the Operations and Maintenance Report ("Operations Report") for the month of September 2022, a copy of which is attached hereto as **Exhibit G**. In connection therewith, Mr. Jenkins reported that the rehabilitation of the District's Wastewater Treatment Plant (the "WWTP Rehab") is now complete. Following discussion, 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 September 2022, and a Harris County Constable Pct 5 Beat Activity Report for the month of September 2022, copies of which are attached hereto as **Exhibit H**.

TRIETSCH PARK POND PROJECT

Mr. Robinett advised the Board that the proposed Trietsch Park Pond Project has been placed on hold indefinitely. Following discussion, the Board requested that the item for discussion of the status of construction of the Trietsch Park Pond Project be removed from future meeting agendas, unless otherwise specified by the Board.

AMENDMENT TO THE EMERGENCY AND INTERIM WATER SUPPLY AGREEMENTS WITH GREEN TRAILS MUNICIPAL UTILITY DISTRICT ("GREEN TRAILS") AND 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, West Park, and any other entities with an existing emergency water supply contract with the District. In connection therewith, Ms. Henderson advised the Board that SPH contacted West Park's attorney to discuss an amendment to the Emergency and Interim Water Supply Agreement between the District and West Park, and that she has not yet received a response. She further advised that she would keep the Board apprised of any updates regarding this matter. Following discussion, the Board requested to remove a proposed amendment to such agreement between the District and Green Trails from future meeting agendas, unless otherwise specified by the Board.

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 previously provided Willow Fork with comments to the draft Interlocal Agreement prepared by Willow Fork and that Willow Fork was looking for additional contributors to participate in the Project. In that regard, Ms. Henderson advised the Board that she has not heard anything further in connection with the

Project, to which the Board requested that the agenda item regarding this matter be removed from future meeting agendas, unless otherwise specified by the Board.

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 and the Opt-In Campaign relative to same. In connection therewith, Director Pichon advised the Board that he has not received any communications regarding the Opt-In Campaign from Classic Messaging since the Board's last meeting, and that he would contact Classic Messaging to request a status update.

AMENDED AND RESTATED MESSAGING SERVICES AGREEMENT WITH CLASSIC MESSAGING

Ms. Henderson presented to and reviewed with the Board an Amended and Restated Messaging Services Agreement (the "Amended and Restated Agreement") between the District and Classic Messaging, a copy of which is attached hereto as **Exhibit I**. In connection therewith, Ms. Henderson confirmed that SPH has received a Texas Ethics Commission Form 1295 ("Form 1295") from Classic Messaging, as required, and requested that the Board approve the Amended and Restated Agreement and authorize SPH to acknowledge the Form 1295, accordingly. Following discussion, Director Vinzant moved to approve the Amended and Restated Agreement between the District and Classic Messaging, to authorize the President to execute same on behalf of the Board and the District, and authorize SPH to acknowledge the Form 1295 relative to same. Director Dalton seconded the motion, which unanimously carried.

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 District's involvement in litigation in Closed Session.

CLOSED SESSION

The President announced at 12:37 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 12:53 p.m., with the Board, Ms. Ellis and Ms. Henderson in attendance.

Following discussion regarding the acquisition of property owned by Second Baptist Church for the drilling of a second water well, Director Kingma moved to authorize SPH to prepare and send an offer letter to Second Baptist Church for the purchase of said property by the District, subject to receipt of confirmation that Harris County Municipal Utility District No. 346 is amenable to sharing the costs associated with the second water well, and has no objection to the easements that the District will need to acquire for said well. Director Dalton seconded the motion, which unanimously carried.

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.



A handwritten signature in blue ink, appearing to read "D. Kingma", is written over a horizontal line.

Secretary

LIST OF ATTACHMENTS TO MINUTES

Exhibit A –	Order Levying Taxes
Exhibit B –	Bookkeeper's Report
Exhibit C –	Amended Investment Policy and Resolution Regarding Review of Investment Policy
Exhibit D –	Tax Assessor/Collector Report
Exhibit E –	Delinquent Tax Report
Exhibit F –	Engineering Report
Exhibit G –	Operations Report
Exhibit H –	Green Trails Monthly Report dated as of September 2022 and Harris County Constable Pct 5 Beat Activity Report
Exhibit I –	Amended and Restated Messaging Services Agreement with Classic Messaging