

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

September 18, 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 September 18, 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, with the exception of Directors Wright and Kingma, thus constituting a quorum.

Also present were Robert Miller 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"); Angela Smith, resident 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 with questions regarding the District's Drought Contingency Plan ("DCP") and the triggers that initiate the District's implementation of each stage of its DCP, inquired as to the notice to residents regarding the 2023 tax rate, and requested to receive copies of the results from the independent testing of the District's water quality. Ms. Henderson requested Ms. Smith send an email to SPH specifying the request.

APPROVAL OF MINUTES

As the next order of business, the Board reviewed the minutes of its meetings held on August 4, 2023, and August 21, 2023. After discussion of the minutes presented, Director Pichon moved that the minutes of the August 4, 2023, and August 21, 2023, Board meetings be approved, as written. Director Vinzant seconded the motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board a Bookkeeper's Report dated September 18, 2023, 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 August 2023, and a Cash Flow Forecast. Ms. Cooper 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 July 31, 2023, a copy of which is attached to the Bookkeeper's Report. Following discussion of the reports presented, 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. 11524 and 11525, 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 Vinzant seconded the 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 August 31, 2023, including the checks presented for payment, a copy of which is attached hereto as **Exhibit B**. Following review and discussion of the report presented, it was moved by Director Pichon, seconded by Director Dalton, and unanimously carried, that the Tax Assessor-Collector's Report dated as of August 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.

FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2023 TAX RATE

The Board next considered the Financial Advisor's recommendation concerning the District's proposed 2023 tax rate. In connection therewith, Ms. Henderson presented to and reviewed with the Board a tax rate analysis prepared by Masterson Advisors LLC, the District's Financial Advisor, relative to the District's 2023 maintenance tax rate, a copy of which is attached hereto as **Exhibit C**. Ms. Henderson noted the District does not have any outstanding bonds or notes, and, therefore, no debt service tax is necessary. She reminded the Board that the District levied a 2022 tax rate of \$0.175 per \$100 of assessed valuation.

There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2023 tax rate. Ms. Henderson advised that, pursuant to Section 49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. She further advised that the information to be included in the notice is set forth in

the Water Code and includes the proposed tax rate to be adopted. Ms. Henderson advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

After further discussion on the matter, Director Vinzant moved that the Board accept the Financial Advisor's recommendation of a proposed 2023 maintenance tax rate of \$0.165 per \$100 of assessed valuation, and that the District's Tax Assessor-Collector be authorized to provide notice of the District's intention to adopt a 2023 tax rate of \$0.165 per \$100 of assessed valuation at its next meeting by mailing such notice to each owner of taxable property in the District, in the form and at the time required by law. Director Dalton seconded said motion, which unanimously carried. The Board concurred that the notice should also be published by the Tax Assessor-Collector on the District's webpage through Wheeler's website, and to send a letter to residents following next month's Board meeting advising them of the 2023 tax rate levied by the District.

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 September 18, 2023, a copy of which is attached hereto as **Exhibit D**.

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, Ms. Henderson advised the Board that the Board of Directors of No. 346 will consider and discuss the District's updated offer letter to the Church at its Board meeting scheduled for today.

OPERATIONS REPORT

Mr. Miller presented to and reviewed with the Board the Operations and Maintenance Report ("Operations Report") for the month of August 2023, a copy of which is attached hereto as **Exhibit E**. During review of the Operations Report, Director Dalton requested additional information regarding the noted excursion at the District's Wastewater Treatment Plant. Mr. Miller responded that he would research the matter further and provide the Board with his findings.

Mr. Miller additionally presented to and reviewed with the Board a Confidential Report for the month of August 2023, including three (3) requests for leak adjustments received from District residents, a copy of which is included in **Exhibit E**. Following discussion, the Board concurred to defer taking any action with respect to such leak adjustment requests until next

month's meeting, and requested that Mr. Miller provide the Board with the requesting residents' historical usage for consideration with the leak adjustment requests at next month's meeting.

Mr. Miller then reported that, due to the run times of the District's Water Plant, the District has implemented Stage One of its DCP. In response to Ms. Smith's comment from earlier in the meeting, Ms. Henderson reviewed the stages of the District's DCP and the triggers that initiate the District's implementation of each stage. Mr. Miller then advised that Inframark has placed the associated signage regarding the voluntary water restrictions throughout the District and included notice on the District's page on Inframark's website for same. The Directors noted that they had not noticed such signage in the District, and requested that Inframark survey the District to confirm that such signage has been placed and made clearly visible to the District's residents.

TESTING OF DISTRICT'S WATER SUPPLY

Discussion ensued regarding matters associated with the District's water quality. Mr. Miller reminded the Board that the Texas Commission on Environmental Quality (the "TCEQ") previously conducted its quarterly water quality testing of the District's system on August 18, 2023, and that Inframark collected independent samples from the District's water system, accordingly, and provided same to two (2) labs independent of the TCEQ's regularly utilized labs, as previously authorized by the Board. In that regard, Mr. Miller then presented to and reviewed with the Board the results from the aforementioned independent testing, copies of which are included in the Operations Report, and advised that such results reflect that the District is in compliance with the maximum contaminant levels set by the Environmental Protection Agency and the TCEQ. He advised that the District had not received the TCEQ's sample result.

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

COMMUNICATION WITH DISTRICT RESIDENTS, INCLUDING MASS COMMUNICATION MESSAGING SYSTEM BY CLASSIC MESSAGING LLC ("CLASSIC MESSAGING")

In connection with the District's mass communication messaging system (the "Messaging System") through Classic Messaging, Director Pichon advised the Board that the standard language of text notifications for mass distribution to the District's residents has been finalized, and that Classic Messaging plans to distribute an emergency notification test to the District's residents within the next week or two.

Mr. Miller reminded the Board that Inframark is in the process of streamlining the current format of its website, including the individual district webpages, and that the new format may not support the amount of information that the Board has requested the District maintain on its

individual webpage. He advised the Board that Inframark is expecting to implement the new website design in November 2023. Following discussion, the Board requested that Mr. Miller notify the Board of Inframark's new template for individual district webpages as soon as it becomes available, so that the Board can then determine and address the portions of the District's current webpage that will no longer be supported through Inframark's new template. The Board requested that SPH redistribute the website memorandums, as prepared and previously presented by SPH to the Board, prior to next month's meeting for its review and consideration.

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

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.

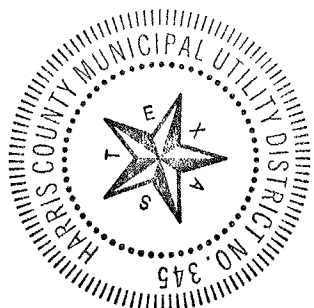
FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. Following discussion, the Board requested that an item be placed on next month's meeting agenda regarding discussion of a potential District website.

ADJOURNMENT

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

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Secretary

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A –** Bookkeeper's Report
- Exhibit B –** Tax Assessor/Collector Report
- Exhibit C –** Financial Advisor's 2023 Tax Rate Recommendation
- Exhibit D –** Engineering Report
- Exhibit E –** Operations and Maintenance Report
- Exhibit F –** Green Trails Monthly Report dated as of August 2023 and Harris County Constable Pct. 5 Beat Activity Report