

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors
September 19, 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 September 19, 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 Wright and Kingma, 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"); Miranda Burks of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett of Costello Engineers, Inc. ("Costello"); and Eric Lai and Peyton Ellis of Schwartz, Page and Harding, L.L.P. ("SPH"). Debbie Shelton of Masterson Advisors LLC ("Masterson") entered the meeting after it was called to order, as noted herein.

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 August 15, 2022. After discussion of the minutes presented, Director Vinzant moved that the minutes of the August 15, 2022, Board meeting be approved, as written. Director Dalton seconded said motion, which unanimously carried.

ACCEPTANCE OF QUALIFICATION STATEMENT, OFFICIAL BOND, OATH OF OFFICE, AFFIDAVIT OF CURRENT DIRECTOR AND ELECTION NOT TO DISCLOSE CERTAIN INFORMATION

The Board considered the acceptance of the Qualification Statement of Elected Officer, Bond, Oath of Office and Affidavit of Current Director for Director Dalton. After discussion on the matter, it was moved by Director Vinzant, seconded by Director Pichon and unanimously carried that the Board approve said Bond, accept said Statement, Oath, and Affidavit and declare Everett M. Dalton to be a duly elected and qualified Director of the District.

Mr. Lai next presented to the Board an Election Not to Disclose Certain Information for Director Dalton. In connection therewith, Mr. Lai stated that, pursuant to Section 552.024 of the Texas Government Code, as amended, the directors may elect to withhold public access to information in the custody of the District. Upon review, Director Vinzant moved that the Election Not to Disclose Certain Information form be accepted, as executed by Director Dalton. Director Pichon seconded said motion, which unanimously carried.

DISTRICT REGISTRATION FORM

The Board next considered approving a District Registration Form required by the Texas Commission on Environmental Quality ("TCEQ"). Mr. Lai explained that, in accordance with the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty (30) days after an election or appointment. He advised that, with the Board's approval, SPH will complete and file with the TCEQ an updated District Registration Form to include the new term of office for Director Dalton. After further discussion of the matter, Director Vinzant moved that the Board authorize SPH to complete the District Registration Form as discussed and file same with the TCEQ. Director Pichon seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICERS LIST IN CONNECTION WITH CONFLICT OF INTEREST DISCLOSURE REQUIREMENTS

The Board next considered authorizing the preparation and maintenance of a local government officers list in connection with conflict of interest disclosure requirements of the District. Director Vinzant moved that said officers list be prepared. Director Pichon seconded said motion and it unanimously carried.

BOOKKEEPER'S REPORT

Ms. Castillo presented to and reviewed with the Board the Bookkeeper's Report dated September 19, 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 August 2022, and a Cash Flow Forecast. Ms. Castillo 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, 2022, a copy of which is attached to the

Bookkeeper's Report. Following discussion, Director Pichon moved that the Board (i) approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check nos. 11250 and 11251, 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 said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Burks presented to and reviewed with the Board the Tax Assessor-Collector's Report dated as of August 31, 2022, including the checks presented for payment, a copy of which is attached hereto as **Exhibit B**. Following review and discussion of the reports submitted, it was duly moved by Director Dalton, seconded by Director Pichon and unanimously carried, that the Tax Assessor-Collector Report dated as of August 31, 2022, be approved, and that the disbursements identified therein be authorized for payment from the District's Tax Account.

DELINQUENT TAX REPORT

Mr. Lai reported that a Delinquent Tax Report was not received this month from the District's delinquent tax attorneys, Perdue, Brandon, Collins, Fielder & Mott, LLP.

RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2022 TAX RATE

After noting that Ms. Shelton, the District's financial advisor, had not yet arrived to the meeting, the Board concurred to defer consideration of the recommendation concerning the District's proposed 2022 tax rate until after Ms. Shelton's arrival.

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 19, 2022, a copy of which is attached hereto as **Exhibit C**.

Mr. Robinett then 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 advised the Board that the President of Harris County Municipal Utility District No. 346 ("No. 346") met with representatives of Harris County Precinct 4 ("Pct. 4") on August 17, 2022, to discuss the plan for construction of the Sidewalk Repair Project. In that regard, Mr. Robinett presented to and reviewed with the Board exhibits detailing the plan for repair of the various sections of sidewalk/trail by Pct. 4, copies of which are included in the Engineering Report. Mr. Robinett directed the Board's attention to the exhibit labeled T101-00, Panel #6, and advised the Board that Pct. 4 did not include the stretch of trail labeled #82 and extending through #87 (the "Stretch") in its plan for repair, to which the President of No. 346 requested that Pct. 4 reconsider. He further advised that repair of the Stretch is still up for discussion and that should Pct. 4 move forward with such repair, Pct. 4

would not construct an 8' wide asphalt trail which would be uniform with the rest of the sidewalk/trail repairs, but would instead construct a 5' wide concrete sidewalk. Following discussion, the Board concurred that in the event Pct. 4 chooses to move forward with repair of the Stretch, the Board would like to contact the Commissioner of Pct. 4 to recommend an 8' wide asphalt trail for repair of the Stretch in lieu of a 5' wide concrete sidewalk.

In furtherance of the Sidewalk Repair Project discussion, Director Pichon queried Mr. Robinett regarding Pct. 4's plan for repair of the sidewalk located near Trietsch Park (the "Trietsch Park Sidewalk") now that the Trietsch Park Pond Project has been placed on indefinite hold. Mr. Robinett advised the Board that Pct. 4 had planned to repair the Trietsch Park Sidewalk after completion of the Trietsch Park Pond Project, but that he would contact Pct. 4 to confirm the timing for repair of the Trietsch Park Sidewalk now that the Trietsch Park Pond Project is on indefinite hold.

Ms. Shelton entered the meeting at this time.

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, Mr. Lai reminded the Board that SPH previously communicated with No. 346 regarding the terms of the offer to the Church, as required by the Third Amendment to Interim and Permanent Water Supply Contract between the District and No. 346 (the "Contract"). In that regard, Mr. Lai advised the Board that No. 346 has declined the District's offer to amend the Contract to provide for an increase in No. 346's share of the costs associated with the second water well from 20% to 33%, and wishes to leave the terms of the Contract as-is. He further advised that SPH has not received an offer from the Church for the purchase of property, to which Director Dalton responded that he would contact the Church to discuss. Following discussion, no action was taken by the Board.

RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2022 TAX RATE

The Board next considered the Financial Advisor's recommendation concerning the District's proposed 2022 tax rate. In connection therewith, Ms. Shelton presented to and reviewed with the Board a tax rate analysis prepared by Masterson relative to the District's 2022 debt service and maintenance tax rates, a copy of which is attached hereto as **Exhibit D**. She reminded the Board that the District levied a 2021 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 2022 tax rate. Mr. Lai 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. He 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. Mr. Lai 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 levy a 2022 tax rate of \$0.1750 per \$100 of assessed valuation, and that the District's Tax Assessor-Collector be authorized to publish notice of the District's intention to adopt a 2022 tax rate of \$0.1750 per \$100 of assessed valuation at its next meeting in the form and at the time required by law. Director Pichon seconded said motion, which unanimously carried. The Board concurred that the notice should be published by the Tax Assessor-Collector in the *Houston Chronicle*.

OPERATIONS REPORT

Mr. Jenkins presented to and reviewed with the Board the Operations and Maintenance Report ("Operations Report") for the month of August 2022, a copy of which is attached hereto as **Exhibit E**. In connection therewith, Mr. Jenkins requested the Board's authorization to send one (1) account in the amount of \$210.42 to collections. Following discussion, Director Pichon moved to authorize Inframark to send the one (1) account in the amount of \$210.42 to collections, as requested. Director Dalton seconded the motion, which unanimously carried.

Mr. Jenkins advised the Board that the District's water accountability for the month of August 2022 was 88.8%, and that Inframark is working to identify and repair any leaks in the District that may be causing the low accountability. In that regard, Mr. Jenkins presented to and reviewed with the Board two (2) proposals for replacement of the 6" meter located at the District's interconnect with Green Trails Municipal Utility District ("Green Trails"), copies of which are attached hereto as **Exhibit F**, and recommended that the Board accept the proposal submitted by Accurate Meter & Backflow, LLC ("Accurate Meter") in the amount of \$8,950.00. Following discussion, Director Pichon moved to accept the proposal submitted by Accurate Meter for replacement of the 6" meter located at the District's interconnect with Green Trails in the amount of \$8,950.00, as recommended by Inframark. Director Dalton seconded the motion, which unanimously carried.

Ms. Shelton exited the meeting at this time.

SECURITY MATTERS

Discussion ensued regarding security matters throughout the District. In connection therewith, Mr. Lai presented to and reviewed with the Board a Green Trails Monthly Report dated as of August 2022, and a Harris County Constable Pct 5 Beat Activity Report for the month of August 2022, copies of which are attached hereto as **Exhibit G**.

TRIETSCH PARK POND PROJECT

Mr. Lai reminded the Board that the Trietsch Park Pond Project has been placed on indefinite hold and advised that SPH has not received any additional information regarding this matter.

AMENDMENT TO THE EMERGENCY AND INTERIM WATER SUPPLY AGREEMENTS WITH 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, Director Dalton advised the Board that the President of West Park referred Director Dalton to West Park's attorney to further discuss an amendment to the Emergency and Interim Water Supply Agreement between the District and West Park. Mr. Lai advised the Board that he would contact West Park's attorney to further discuss the matter.

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"), Mr. Lai reminded the Board that SPH has provided Willow Fork with comments to the draft Interlocal Agreement prepared by Willow Fork, and that Willow Fork is in the process of looking for additional contributors to participate in the Project.

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 from Classic Messaging since the Board's last meeting, to which Mr. Lai responded that he would contact Classic Messaging to request a status update.

AMENDED AND RESTATED MESSAGING SERVICES AGREEMENT WITH CLASSIC MESSAGING

Mr. Lai requested that the Board defer taking action to approve the Amended and Restated Messaging Services Agreement (the "Amended and Restated Agreement") with Classic Messaging at this time, as SPH has not yet received the required Texas Ethics Commission Form 1295 relative to the Amended and Restated Agreement. Following discussion, the Board concurred to defer consideration of the Amended and Restated Agreement at this time.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Mr. Lai advised that he had nothing further of a legal nature to discuss with the Board at this time.

CLOSED SESSION

The President announced at 1:10 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code, Section 551.071. All of those in attendance, with the exception of the Board, Mr. Robinett, Ms. Ellis and Mr. Lai, exited the meeting at this time.

The Board reconvened in Regular Session at 1:22 p.m., with the Board, Mr. Robinett, Ms. Ellis and Mr. Lai in attendance.

It was noted that no action was taken by the Board in connection with the matters discussed during 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 Pichon, seconded by Director Dalton 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 –	Financial Advisor's Tax Rate Recommendation 2022
Exhibit E –	Operations Report
Exhibit F –	Proposals for Replacement of 6" Meter
Exhibit G –	Green Trails Monthly Report dated as of August 2022 and Harris County Constable Pct 5 Beat Activity Report