

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

August 19, 2024

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 August 19, 2024, 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
Aaron Pichon, Secretary
David Vinzant, Assistant Secretary
Michael Fitzgerald, Assistant Secretary

and all of said persons were present, with the exception of Directors Pichon and Fitzgerald, thus constituting a quorum. Directors Pichon and Fitzgerald entered the meeting at a later time, as noted herein.

Also present were Allen Jenkins and Chad Buckley of Inframark, LLC ("Inframark"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Jason Robinett and Bob Wempe of Pape-Dawson Consulting Engineers, LLC ("Pape-Dawson"); and Kate Henderson and Linda Knox 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. There being no comments from members of the public, the Board continued to the next item of business.

APPROVAL OF MINUTES

The Board considered approval of the minutes of its special meeting held on July 1, 2024, and its regular meeting held on July 15, 2024. After review and discussion of the minutes presented, Director Wright moved that such minutes be approved, as written. Director Dalton seconded said motion, which unanimously carried.

Directors Pichon and Fitzgerald entered the meeting at this time.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board a Bookkeeper's Report dated August 19, 2024, 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, and a Cash Flow Forecast. Following discussion, Director Vinzant moved that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, including check no. 11778 from the Operating Fund and check no. 5258 and a wire transfer from the Joint Water Plant Fund. Director Dalton 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 July 31, 2024, a copy of which is attached hereto as **Exhibit B**. Following review and discussion of the report submitted, it was moved by Director Fitzgerald, seconded by Director Vinzant and unanimously carried, that the Tax Assessor-Collector Report dated as of July 31, 2024, be approved, and that the disbursements identified therein be authorized for payment from the District's Tax Account.

RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2024 TAX RATE

The Board deferred consideration of the financial advisor's recommendation concerning the District's proposed 2024 tax rate after noting that the Harris Central Appraisal District has not yet released the District's 2024 certified values.

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, L.L.P.

Ms. Mata next presented to and reviewed with the Board a list of thirteen (13) accounts, a copy of which is attached hereto as **Exhibit B**, totaling \$171.01, and recommended said accounts be moved to the Uncollectible Tax Roll. Following discussion, Director Dalton moved that Wheeler be authorized to move said thirteen (13) noted accounts to the Uncollectible Tax Roll, as recommended by Wheeler. Director Wright seconded the motion, which unanimously carried.

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 August 19, 2024, a copy of which is attached hereto as **Exhibit C**. The Board discussed the timeline for the proposed Second Water Well and the preparation of plans for same, and requested a written timeline from

Pape-Dawson for said project from preparation of plans to completion of construction be presented to the Board. Mr. Robinett then advised the Board that the District received a proposal from Ninyo & Moore in the amount of \$6,900.00 to perform geotechnical services relative to the District's Second Water Well project and a proposal from Ninyo & Moore in the amount of \$8,400.00 to perform geotechnical services relative to the Wastewater Treatment Plant Improvements Project, Phase 1, copies of which are included with **Exhibit C**. Mr. Robinett then advised the Board that, in connection with the installation of generators at the lift stations and Joint Wastewater Treatment Plant, CenterPoint received the gas permits from Harris County and that Pape-Dawson anticipates gas services will be installed at the end of August. He then recommended the Board approve Pay Estimate No. 3 in the amount of \$16,1100.00 from W-Industries relative to such project. Following discussion, Director Pichon moved that the Board approve all action items contained in the Engineer's Report, as recommended by Pape-Dawson, including approval of (i) the two (2) proposals from Ninyo & Moore for geotechnical services, subject to review and approval by SPH, (ii) Pay Estimate No. 3 from W-Industries, and (iii) the acceptance of any Texas Ethics Commission ("TEC") Form 1295s required in connection therewith. Director Wright seconded the motion, which unanimously carried.

DISCUSSION REGARDING CONVERSION TO CHLORAMINE DISINFECTANT

The Board then discussed potentially converting the District's system to chloramine disinfectant given West Park Municipal Utility District's ("West Park") conversion to surface water by the West Harris County Regional Water Authority ("WHCRWA") in the near future. Ms. Henderson informed the Board that West Park requested an official letter from the District in order to consider the District's request for West Park to delay its surface water conversion project at West Park's next Board meeting. She then advised that such written request was submitted to West Park on August 14, 2024, a copy of which is attached hereto as **Exhibit D**. She reported that such correspondence requested West Park delay its surface water conversion project until the later of (i) October 31, 2025, or (ii) two (2) months prior to the planned delivery date of surface water to West Park as communicated to West Park by the WHCRWA, and requested West Park provide a written response to such request. She then reported that West Park's next Board meeting is scheduled for August 26, 2024.

Mr. Jenkins then advised the Board, that as discussed at last month's Board meeting, that neither Inframark nor Pape-Dawson recommend the District utilize its interconnect partners' other interconnects in order for the District to obtain the amount of water it might need during the summer months due to operations standards, the complexity of so many different water systems being connected at one time, and no one water system being in control in such a situation. Following discussion, the Board concurred with such recommendation.

Mr. Robinett then advised the Board that, as authorized by the Board at last month's meeting, Pape-Dawson reached out to Mason Creek Utility District ("Mason Creek") and Harris County Municipal Utility District No. 346 ("No. 346") to determine whether they would be amenable to construction of an emergency interconnect. He then presented an estimate of probable construction cost for such interconnect, a copy of which is attached hereto as **Exhibit E**, and advised that the estimated cost to construct the emergency interconnect is \$245,000.00. He then reported that it would take approximately a year from the date the District authorized the design

of such interconnect to completion of construction of same. After discussion, Director Fitzgerald moved that the Board authorize Pape-Dawson to (i) prepare a proposal for design of the emergency interconnect for consideration by the Board at its next meeting, and (ii) begin collection of documentation for plans required for such design of an emergency interconnect at a cost not to exceed \$4,000.00. Director Pichon seconded the motion, which unanimously carried.

EPA LEAD AND COPPER RULE REVISION REQUIRED SERVICE LINE INVENTORY

Mr. Buckley advised that the District has no lead service lines or galvanized service lines requiring replacement. The District reached this determination because its water distribution system was installed after 1988, the year that Texas implemented the Safe Drinking Water Act banning the use of lead for any public water lines. Additionally, the District has found no evidence of the use of lead service lines (i) in the system records, including distribution system maps and drawings, historical records, meter installation records, inspections and records of the distribution system that indicate the material composition, or (ii) when reading water meters or performing maintenance activities in the course of normal system operations.

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

Ms. Henderson noted that the Board would discuss the District's possible acquisition of property owned by Second Baptist Church (the "Church") in Closed Session.

OPERATIONS REPORT

Mr. Buckley presented to and reviewed with the Board the Operations and Maintenance Report ("Operations Report") for the month of July 2024, a copy of which is attached hereto as **Exhibit F**. Following discussion, the Board concurred that no action was required in connection with same.

AMENDMENT TO THE AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT BETWEEN INFRAMARK AND THE DISTRICT

The Board next considered an amendment to the Amended and Restated Professional Services Agreement between Inframark and the District. In connection therewith, Mr. Jenkins advised the Board that, as requested at last month's meeting, Inframark has agreed to remove the automatic annual consumer price index adjustment from the amendment, and presented to and reviewed with the Board a revised First Amendment to Amended and Restated Professional Services Agreement (the "First Amendment"), attached hereto as **Exhibit G**. After discussion, Director Vinzant moved to approve the First Amendment, authorize the Board President to execute same on behalf of the District, and acknowledge the related TEC Form 1295 from Inframark in connection with same. Director Fitzgerald seconded the motion, which carried unanimously.

APPROVAL OF AN AMENDED RATE ORDER

The Board next considered amending the District's Rate Order in connection with Inframark's revised schedule of rates. Following discussion, the Board deferred taking action on the matter until next month's meeting.

SECURITY MATTERS

The Board next considered security matters throughout the District. Ms. Henderson noted that there were no reports in connection with same available at this time.

MASS COMMUNICATION MESSAGING SYSTEM AND DISTRICT WEBSITE

The Board next considered the status of communications within the District and the District's website. In connection therewith, Ms. Henderson advised the Board that a weather-related post had been added to the District's website. Following discussion, no action was taken by the Board regarding this matter.

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.

CLOSED SESSION

The President announced at 1:06 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code, Section 551.072. All of those in attendance, with the exception of the Board, Mr. Robinett, Mr. Wempe, Ms. Henderson and Ms. Knox, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:09 p.m. with the Board, Mr. Robinett, Mr. Wempe, Ms. Henderson and Ms. Knox in attendance.

Following discussion of matters relative to the District's possible acquisition of property owned by Second Baptist Church for drilling of a second water well and access to site in connection with same, Director Dalton moved that the District accept the Special Warranty Deed

and Sanitary Control Easement in connection with same from Second Baptist Church, subject to review and approval by SPH. Director Pichon 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 Wright, seconded by Director Dalton and unanimously carried, the meeting was adjourned.



SEAL

Secretary

List of Attachments to
Harris County Municipal Utility District No. 345
Minutes of Meeting of August 19, 2024

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| Exhibit A | Bookkeeper's Report |
| Exhibit B | Tax Assessor-Collector Report and Accounts Recommended for Uncollectible Tax Roll |
| Exhibit C | Engineer's Report |
| Exhibit D | Request Letter to West Park |
| Exhibit E | Emergency Interconnect Construction Cost Estimate |
| Exhibit F | Operations Report |
| Exhibit G | First Amendment to Amended and Restated Professional Agreement between Inframark and the District |