

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

September 16, 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 September 16, 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 Director Vinzant, thus constituting a quorum.

Also present were Allen Jenkins, Chad Buckley and Vanessa Chapa of Inframark, LLC ("Inframark"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Bob Wempe of Pape-Dawson Consulting Engineers, LLC ("Pape-Dawson"); and Kate Henderson and Charlotte Griffiths of Schwartz, Page and Harding, L.L.P. ("SPH"). Debbie Shelton of Masterson Advisors LLC ("Masterson") entered the meeting at a later time, 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. 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 regular meeting held on August 19, 2024. After review and discussion of the minutes presented, Director Fitzgerald moved that such minutes be approved, as written. Director Wright seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board a Bookkeeper's Report dated September 16, 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. Ms. Cooper additionally presented to and reviewed with the Board a Quarterly Investment Inventory Report for the period ended July 31, 2024, which had been prepared by MA&C, a copy of which is attached to the Bookkeeper's Report. Following discussion, Director Fitzgerald moved that the Board (i) approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check no. 11782, which was 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 District. Director Wright 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, 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 Pichon and unanimously carried, that the Tax Assessor-Collector Report dated as of August 31, 2024, 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, L.L.P.

ENGINEER'S REPORT

The Board next considered the Engineer's Report. In connection therewith, Mr. Wempe presented to and reviewed with the Board an Engineering Report dated September 16, 2024, a copy of which is attached hereto as **Exhibit C**. In connection therewith, he advised the Board that Pape-Dawson received four (4) bids for the Water Plant Improvements Project, Phase 1, with the lowest qualifying bid in the amount of \$607,500.00 being submitted by CFG Industries, LLC

("CFG"). Mr. Wempe advised that Pape-Dawson is recommending that the Board award the contract for the Water Plant Improvements Project, Phase 1 to the lowest qualified bidder, CFG.

In connection with the Second Water Well project, Mr. Wempe presented to the Board a proposed construction schedule, as requested by the Board at last month's meeting. The Board then discussed inclusion of incentives and disincentives in a construction contract for the project.

Mr. Wempe then advised that discussions with Harris County Municipal Utility District No. 346 and Mason Creek Utility District for an emergency interconnect are still ongoing.

Following discussion, Director Wright moved that the Board approve all action items contained in the Engineer's Report, as recommended by Pape-Dawson, including (i) award of construction contract to CFG in the amount of \$607,500.00 relative to the Water Plant Improvements Project, Phase 1, (ii) authorized the Board President to execute the construction contract on behalf of the Board and the District, subject to SPH's review of certain requirements related to insurance and payment and performance bonds, and (iii) the acceptance of any Texas Ethics Commission ("TEC") Form 1295s required in connection therewith. Director Fitzgerald seconded the motion, which unanimously carried.

REQUEST TO WEST PARK MUNICIPAL UTILITY DISTRICT ("WEST PARK") TO DELAY ITS SURFACE WATER CONVERSION PROJECT

Ms. Henderson reported that the engineer for West Park confirmed that West Park's surface water conversion project would be delayed until October 2025, but that written confirmation from West Park was still pending. Following discussion, the Board concurred that no action was required at this time.

ACQUISITION OF PROPERTY OWNED BY SECOND BAPTIST CHURCH (THE "CHURCH") FOR A SECOND WATER WELL

Ms. Henderson advised the Board that she had no new information to discuss with the Board at this time.

OPERATIONS REPORT

Mr. Buckley presented to and reviewed with the Board the Operations and Maintenance Report ("Operations Report") for the month of August 2024, a copy of which is attached hereto as **Exhibit D**. Mr. Buckley presented one (1) account in the amount of \$206.76 to be moved to the uncollectible roll. Ms. Chapa next advised the Board of the results of the Fifth Unregulated Contaminant Monitoring Rule ("UCMR-5") samples required by the United States Environmental Protection Agency, a copy of which is included with **Exhibit D**. Following a lengthy discussion, Director Wright moved that Inframark be authorized to move one (1) account in the amount of \$206.76 to collections, as recommended by Inframark. Director Fitzgerald seconded the motion, which unanimously carried.

Mr. Buckley then reminded the Board of the option to bifurcate the District's waterline system in the event that West Park has converted to chloramine disinfectant and there is a need for

the District to utilize its emergency interconnects prior to completion of the second water well. He then informed the Board that Inframark has been unable to locate the valve or the existing waterline within the District's waterline easement that Inframark originally identified as needed to bifurcate the system, but that Inframark has identified a way to bifurcate the system by turning off two valves in another location to accomplish the same purpose. Director Fitzgerald recommended Pape-Dawson survey the waterline easement to locate the existing waterline and the valve in case its location is needed in the future. Following discussion, Director Wright moved to authorize Pape-Dawson to survey the waterline easement to assist Inframark in locating the valve. Director Fitzgerald seconded the motion, which unanimously carried.

Ms. Shelton entered the meeting at this time.

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 approved by the Board at its August meeting. In connection therewith, Mr. Buckley then discussed with the Inframark's recommended amendments. Following discussion, Director Dalton moved that the (i) the District's Rate Order be amended, as recommended by Inframark, (ii) any and all Rate Orders heretofore adopted be revoked, and (iii) the District's Rate Order attached hereto as **Exhibit E** be passed and adopted to be effective as of September 16, 2024. Director Fitzgerald seconded the motion, which unanimously carried.

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 2024 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 2024 maintenance tax rate, a copy of which is attached hereto as **Exhibit F**. Ms. Shelton 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 2023 tax rate of \$0.165 per \$100 of assessed valuation.

There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2024 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 Dalton moved that the District declare its intention to levy a proposed 2024 maintenance tax rate of \$0.158 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 such 2024 tax rate at its next meeting in the form and at the time required by law. Director Fitzgerald seconded said motion, which unanimously carried. The Board concurred that the District's Tax Assessor-Collector provide a copy of notice to the District's website provider for inclusion on the District's website.

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 2024, and a Harris County Constable Pct 5 Beat Activity Report for the month of August 2024, copies of which are attached hereto as **Exhibit G**.

Director Wright exited the meeting 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 that she would request an update from Classic Messaging, LLC regarding the status of communications for the District and website analytics. 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. In connection therewith, Mr. Wempe said that he would request an update from Willow Fork regarding the status of the project.

Ms. Shelton exited the meeting at this time.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Ms. Henderson advised that the District had received a request from Baker Road Municipal Utility District ("Baker Road") to activate the Operations Advisory Committee pursuant to the Waste Disposal Agreement among the District, Baker Road, and Longhorn Town Utility District. Following the discussion, Director Pichon moved that (i) the Board approve the activation of the Operation Advisory Committee, as requested by Baker Road, and (ii) appoint Director Fitzgerald to represent the District on said Committee. Director Dalton seconded the motion, which unanimously carried.

Ms. Henderson then advised the Board that they would discuss PFAS related class action litigation and settlements in Closed Session.

CLOSED SESSION

The President announced at 1:40 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. Jenkins, Mr. Buckley, Ms. Chapa, Ms. Henderson and Ms. Griffiths, exited the meeting at this time.

RECONVENE IN OPEN SESSION

The Board reconvened in Open Session at 1:48 p.m. Following discussion, no action was taken by the Board regarding matters discussed in Closed Session.

FUTURE AGENDA ITEMS

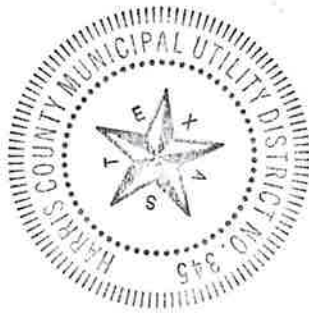
The Board considered items for placement on future agendas. No items were requested to be added to future agendas other than those items hereinabove discussed.

ADJOURNMENT

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

Secretary

SEAL



List of Attachments to
Harris County Municipal Utility District No. 345
Minutes of Meeting of September 16, 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 | Operations Report and UCMR-5 Testing Results |
| Exhibit E | Amended Rate Order |
| Exhibit F | 2024 Tax Rate Recommendation |
| Exhibit G | Green Trails Monthly Report and Harris County Constable Pct. 5 Beat Activity Report |