

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 345

Minutes of Meeting of Board of Directors

January 20, 2025

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 January 20, 2025, 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, except Director Wright, thus constituting a quorum.

Also present were Kayla Crigger of Municipal Accounts & Consulting, L.P. ("MA&C"); Isabel Mata of Wheeler & Associates, Inc. ("Wheeler"); Melissa Vasquez of Forvis Mazars, LLP ("Forvis"); Chad Buckley of Inframark, LLC ("Inframark"); Bob Wempe of Pape-Dawson Consulting Engineers, LLC ("Pape-Dawson"); Karen Sears of Storm Water Solutions, LLC ("SWS"); and Kate Henderson and Charlotte Griffiths 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 regular meeting held on December 16, 2024. After review and discussion of the minutes presented, Director Fitzgerald moved that such minutes be approved, as written. Director Pichon seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR FOR PREPARATION OF THE DISTRICT'S ANNUAL AUDIT FOR THE FISCAL YEAR ENDING JANUARY 31, 2025

The Board next considered the engagement of an auditing firm to conduct an audit of the District's financial statements and records for the fiscal year ending January 31, 2025. Ms.

Vasquez made a presentation to the Board on behalf of Forvis to provide such auditing services, and advised that Forvis has estimated the fees for preparation of the District's 2025 audit to be \$20,500 plus expenses, and the fees for the audit of the District's Joint Water Plant and Joint Sewage Treatment Plant accounts to be \$3,000 each, plus expenses. After discussion on the matter, Director Vinzant moved that (i) Forvis be engaged to conduct the District's audit report for the fiscal year ending January 31, 2025, including the Joint Water Plant and Joint Sewage Treatment Plant accounts, in accordance with Forvis's engagement letter, a copy of which is attached hereto as **Exhibit A**, (ii) the President be authorized to execute Forvis's engagement letter on behalf of the Board and the District, and (iii) SPH be authorized to acknowledge the Texas Ethics Commission Form 1295 ("Form 1295) submitted by Forvis in connection with such engagement letter. Director Fitzgerald seconded said motion, which unanimously carried.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Ms. Henderson next informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to annually submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database no later than April 1st of each year. Ms. Henderson recommended that the Board authorize Forvis to prepare and submit the information. After discussion on the matter, it was moved by Director Fitzgerald, seconded by Director Pichon and unanimously carried, that Forvis be authorized to prepare the required information on behalf of the district and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database no later than April 1, 2025.

BOOKKEEPER'S REPORT

Ms. Crigger presented to and reviewed with the Board a Bookkeeper's Report dated January 20, 2025, 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, and a Cash Flow Forecast. Following discussion, Director Fitzgerald moved that the Board approve the Bookkeeper's Report and authorize payment of the disbursements listed therein, with the exception of check no. 11873, which was voided. Director Dalton seconded the motion, which unanimously carried.

ADOPTION OF GENERAL OPERATING BUDGET, WASTEWATER TREATMENT PLANT BUDGET, AND JOINT WATER PLANT BUDGET FOR FISCAL YEAR ENDING JANUARY 31, 2026

Ms. Crigger next presented a proposed operating budget for the District and proposed budgets for the Joint Sewage Treatment Plant and Joint Water Plant for the fiscal year ending January 31, 2026. The approved budget is attached hereto as part of **Exhibit B**. Ms. Crigger reviewed the subject budget in detail with the Board. Following discussion, it was moved by Director Fitzgerald, seconded by Director Dalton and unanimously carried, that the Board approve the proposed operating budget for the District and the proposed operating budgets for the Joint

Sewage Treatment Plant and Joint Water Plant for the fiscal year ending January 31, 2026, as presented.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Mata presented to and reviewed with the Board the Tax Assessor-Collector's Report dated as of December 31, 2024, a copy of which is attached hereto as **Exhibit C**. Following review and discussion of the report submitted, it was moved by Director Vinzant, seconded by Director Fitzgerald and unanimously carried, that the Tax Assessor-Collector Report dated as of December 31, 2024, be approved, and that the disbursements identified therein be authorized for payment from the District's Tax Account.

GRANTING OF TAX EXEMPTIONS FOR 2025

Ms. Henderson outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Texas Tax Code, as amended. She advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2025, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. Following discussion, Director Fitzgerald moved that the District (a) not grant the residential homestead exemption, and (b) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$10,000 from ad valorem taxes levied by the District during the calendar year 2025, and that the Resolution Concerning Exemptions from Taxation, which is attached hereto as **Exhibit D**, be approved and adopted by the Board and the District. Director Pichon seconded said motion, which carried unanimously.

DELINQUENT TAX REPORT

Ms. Henderson presented to the Board a Delinquent Tax Report from the District's delinquent tax attorneys, Perdue, Brandon, Collins, Fielder & Mott, L.L.P. ("PBCFM"), a copy of which is attached hereto as **Exhibit E**. Following discussion, it was noted that no action was required at this time in connection with the Delinquent Tax Report.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board next considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which is attached hereto as **Exhibit F**. Ms. Henderson advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due

the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Fitzgerald, seconded by Director Dalton and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be passed and approved by the Board, and that PBCFM be authorized to proceed with the collection of the District's 2024 delinquent personal property accounts following delivery of proper notice, as provided in said Resolution, including the filing of lawsuits, as necessary.

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 January 20, 2025, a copy of which is attached hereto as **Exhibit G**. He advised the Board that the City of Houston has approved the plan for the Second Water Well. Ms. Henderson then advised the Board that, as authorized at last month's meeting, she sent an official request to Mason Creek Utility District and Harris County Municipal Utility District No. 346 for an emergency interconnect and requested that such an item be included on the agendas for each district's January Board Meeting. Following a lengthy discussion regarding the Second Water Well and the proposed emergency interconnect with Mason Creek Utility District and Harris County Municipal Utility District No. 346, the Board concurred to reconsider its prior decisions to bifurcate the District's waterline system in the event that West Park Municipal Utility District has converted to chloramine disinfectant and there is a need for the District to utilize its emergency interconnect prior to completion of the Second Water Well.

The Board then requested Mr. Wempe reach out to Harris County regarding repairs to the sidewalk ramp at Crescent Green and Crescent Parkway.

Ms. Vasquez and Ms. Mata exited the meeting at this time.

OPERATIONS ADVISORY COMMITTEE REPORT RELATIVE TO JOINT WASTEWATER TREATMENT PLANT (WWTP)

Director Fitzgerald had no update regarding the Operations Advisory Committee 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 December 2024, a copy of which is attached hereto as **Exhibit H**. He advised that all generators at District facilities have been tested and the plants winterized. Mr. Buckley then queried whether service terminations should be delayed until after the impending freeze this week. Following discussion, the Board concurred to delay any service terminations by a week and requested a proposal from Alsay Incorporated to store and exercise the District's spare water well motor pump for its consideration at next month's Board meeting.

STORM WATER MANAGEMENT PROGRAM REPORT AND APPROVAL OF GREEN TRAILS OGT UNIT CLEAN OUT

The Board next recognized Ms. Sears, who presented to and reviewed with the Board a Storm Water Management Program Report and proposal from SWS for the clean out of the Green Trails OGT Unit, a copy of which is attached hereto as **Exhibit I**, in a total amount of \$3,700.00. Following review and discussion, it was moved by Director Vinzant, seconded by Director Fitzgerald, and unanimously carried that (i) the Board approve the proposal from SWS and the President be authorized to execute the proposal on behalf of the Board and District, and (ii) SWS's Texas Ethics Commission ("TEC") Form 1295 be accepted and SPH be authorized to acknowledge receipt of same with the TEC.

SECURITY MATTERS

The Board deferred consideration of security matters throughout the District at this time.

SOLICITATION OF PROPOSALS FOR RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board next considered authorizing solicitation of proposals for renewal of the District's insurance policies. Ms. Henderson advised the Board that the District's current insurance policies were issued through Brown & Brown Insurance ("Brown") and that such policies will expire on March 31, 2025. Following discussion, it was moved by Director Pichon, seconded by Director Fitzgerald, and unanimously carried to obtain a renewal proposal from Brown and to solicit additional proposals from Arthur J. Gallagher Insurance and McDonald & Wessendorff Insurance for review and consideration at the February meeting.

MASS COMMUNICATION MESSAGING SYSTEM AND DISTRICT WEBSITE

The Board next considered the status of communications within the District and the District's website. Director Pichon requested that a contact form be added to the District's website and that Classic Messaging informed him that there would be no additional cost to add same to the District's website. Following discussion, the Board concurred to add a contact form to the website.

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.

ORDER ESTABLISHING POLICY FOR COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY

The Board considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto

as **Exhibit J**. Ms. Henderson advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Ms. Henderson noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Ms. Henderson further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Dalton moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the same. Director Vinzant seconded said motion, which unanimously carried.

Ms. Crigger exited the meeting at this time.

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.

The Board then discussed a community event being hosted by Mason Creek Utility District to discuss future Green Trails community projects with the surrounding districts. After discussion, the Board concurred for Directors Dalton and Pichon to attend on the District's behalf.

CLOSED SESSION

Ms. Henderson advised the Board that it would not be necessary to convene in closed session at this time.

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 Vinzant, seconded by Director Fitzgerald and unanimously carried, the meeting was adjourned.



Secretary

List of Attachments to
Harris County Municipal Utility District No. 345
Minutes of Meeting of January 20, 2025

Exhibit A	Auditor's Engagement Letter
Exhibit B	Bookkeeper's Report
Exhibit C	Tax Assessor-Collector Report
Exhibit D	Resolution Concerning Exemptions from Taxation
Exhibit E	Delinquent Tax Report
Exhibit F	Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
Exhibit G	Engineer's Report
Exhibit H	Operations Report
Exhibit I	Proposal for Green Trails OGT Unit Clean Out
Exhibit J	Order Establishing Policy for Covered Applications and Prohibited Technology