

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 370  
Minutes of Meeting of Board of Directors  
June 10, 2024

The Board of Directors of Harris County Municipal Utility District No. 370 met in regular session, open to the public on June 10, 2024, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, in accordance with the duly posted notice of a public meeting, and the roll was called of the duly constituted members of said Board of Directors, as follows:

Steven G. Reyenga, President  
Harold Cobb, Vice President  
Mike Ecklund, Secretary  
Linda D. Myers, Assistant Secretary  
Chuck Werninger, Assistant Secretary

all of whom were present, Director Werninger, thus constituting a quorum.

Also attending the meeting were: Barry Hands of Texas Ground Works Landscape Management, Inc. ("TGM"); Phillip Dautrich of TNG Utility Corp. ("TNG"); Putri Tesalonika of Municipal Accounts & Consulting, L.P. ("MAC"); Brian Chovanec of Benchmark Engineering Corporation ("Benchmark"); Nolan Poorbaugh of B&A Municipal Tax Service, LLC ("B&A"); Zach Halbert of Champions Hydro-Lawn, Inc. ("Champions"); Angie Hartwell of Touchstone District Services, LLC ("Touchstone"); and Gordon Cranner and Melia Berry of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

Mr. Hands of TGM introduced himself and addressed the Board regarding the benefits of utilizing TGM for its landscape design and build, mowing, water management, tree care, weed, pest and turf management, land clearing, hydro mulch and more. He then responded to questions from the Board. After discussion, the Board thanked Mr. Hands for his presentation.

Mr. Hands exited the meeting at this time.

APPROVAL OF MINUTES

The Board reviewed the minutes of its meeting held on May 13, 2024. After review and discussion of the minutes presented, Director Reyenga moved that such minutes be approved, as presented. Director Ecklund seconded said motion, which unanimously carried.

## RATIFICATION OF PRIOR BOARD ACTION

Mr. Cranner next presented to and reviewed with the Board a proposal for emergency storm debris clean up provided by Best Trash, LLC ("Best Trash") in the amount of \$1,850 per load for the collection of storm debris. A copy of Best Trash's proposal is attached hereto as **Exhibit A**. Mr. Cranner reported that following the emergency weather event on May 14, 2024, Director Reyenga reviewed the proposal and authorized emergency storm debris removal up to thirty (30) loads. The Board then considered ratification of its prior action authorizing Best Trash, LLC to collect and dispose of storm debris, up to thirty (30) loads, for an amount not to exceed \$1,850.

Mr. Cranner then presented to and reviewed with the Board a form of First Amendment to Residential Solid Waste Collection Contract between the District and Best Trash (the "Form of First Amendment") that authorizes the current expenditure of \$16,650 for nine (9) loads of emergency clean up by Best Trash pursuant to the proposal. A copy of the Form of First Amendment is attached hereto as **Exhibit B**. A discussion then ensued regarding how the Board should respond to funding emergency repair and/or clean up requests in between Board meetings. It was suggested to revise the Form of First Amendment to delegate two members of the Board of Directors of the District to serve as contacts between the District and Best Trash with the authority to authorize Best Trash to collect and dispose of storm debris at a cost not to exceed \$1,850 per load, and to be collected in a manner specified in the revised Form of First Amendment. After discussion, Director Reyenga moved that the Board's prior action regarding the authorization for Best Trash to collect and dispose of storm debris be ratified and approved in all respects, and to authorize SPH to revise the Form of First Amendment as discussed and to present the revised First Amendment to the Board at its July Board meeting. Director Cobb seconded said motion, which carried unanimously.

## DETENTION POND MAINTENANCE AGREEMENT

Mr. Cranner reported that the Board of Directors for the Villages at Lakepoint Homeowner's Association ("VAL") has approved the District's Amended and Restated Detention Pond and Landscape Reserve Maintenance Agreement with VAL (the "Agreement") but have not yet responded to his requests for the information to complete Section 7 of the Agreement pertaining to the initial invoices. Mr. Cranner noted that when that information is received he will then accept the VAL's executed pages and final the agreement.

## TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Poorbaugh presented to and reviewed with the Board the Tax Assessor-Collector Report for the period ending May 31, 2024, and the Delinquent Tax Roll as of May 31, 2024, copies of which are attached hereto as **Exhibit C**, including the disbursements presented for payment, as listed therein. Following discussion, it was duly moved by Director Myers, seconded by Director Reyenga, and unanimously carried, that the Tax Assessor-Collector Report be approved and the disbursements identified therein be authorized for payment.

## DELINQUENT TAX REPORT

Mr. Cranner presented to and reviewed with the Board the Delinquent Tax Report dated June 4, 2024, prepared by Ted A. Cox, P.C. ("Cox"), the District's delinquent tax attorney, a copy of which is attached hereto as **Exhibit D**. It was noted that no Board action was required.

## OPERATOR'S REPORT

Mr. Dautrich presented to and reviewed with the Board the Operations and Maintenance Report dated June 10, 2024, a copy of which is attached hereto as **Exhibit E**.

Mr. Dautrich next reported that the meter audit has been completed.

Mr. Dautrich noted that the District's facilities did not sustain any damage during the May severe weather event. He noted that the facilities lost power and the back-up generator ran for four days with no re-fueling issues.

Mr. Dautrich advised the Board that one manhole located on Laguna Del Rey is extending above the sidewalk and will need to be leveled.

## SMART METER PURCHASE AND INSTALLATION

Mr. Dautrich discussed the schedule for the installation of the smart water meters and the maintenance schedule once they are installed.

The Board next discussed funding of the project. Mr. Cranner presented to and reviewed with the Board drafts of the Service Agreement with Accurate Utility Supply, LLC ("Accurate Agreement") and Beacon SAAS Managed Solutions Master Agreement with Badger Meter, Inc. ("Badger Meter Agreement") related to the purchase and operation of smart meters. Mr. Cranner informed the Board that SPH had minimal comments to both agreements, and recommended approval of same subject to SPH final review and approval. Copies of the draft Accurate Agreement and Badger Meter Agreement are attached hereto as **Exhibit F** and **Exhibit G**. Mr. Cranner next presented to and reviewed with the Board a Resolution Authorizing Application to the Texas Commission on Environmental Quality (the "TCEQ") for authorization to use \$840,580.00 of the District's Capital Projects Fund for the purchase and installation of smart water meters and/or to reimburse its General Operating Fund for costs associated with the installation of smart water meters (the "Resolution"), a copy of the Resolution is attached hereto as **Exhibit H**. After discussion, Director Reyenga moved to approve: (i) to approve the Accurate Agreement and the Badger Meter Agreement, subject to SPH final review and approval, and (ii) to approve the Resolution, subject to the approval of the Accurate Agreement and the Badger Meter Agreement by the respective company representatives.

## CRITICAL LOAD STATUS

Mr. Cranner next reminded the Board that Section 13.1396 of the Texas Water Code, as amended, requires the District to update its information identifying the location and description of

facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District and (b) immediately upon any change in the information to the above entities, as well as to the Office of Emergency Management of Harris County, the Public Utility Commission of Texas, and the Division of Emergency Management of the Governor. After discussion, Director Reyenga moved that the District's operator be authorized to make such annual filings on behalf of the District. Director Meyers seconded the motion, which carried unanimously.

### BOOKKEEPER'S REPORT

Ms. Tesalonika presented to and reviewed with the Board the Bookkeeper's Report dated June 10, 2024, a copy of which is attached hereto as **Exhibit H**, including the disbursements presented for payment. After discussion, it was moved by Director Reyenga, seconded by Director Myers, and unanimously carried, that the Bookkeeper's Report be approved and the checks presented therein be authorized for payment.

A discussion ensued regarding the amount of the Capital Funds Account and Mr. Craner requested MAC to confirm the account balance after the meeting.

Mr. Craner noted that SPH will be asking the Board to engage Forvis, LLP to prepare a final developer reimbursement audit for the final payment to Urban WLY, LP.

The Board discussed how to track the expenses related to the purchase and installation of the smart meters.

Mr. Craner noted that an amendment to the District's Rate Order will added to the July agenda. He noted that it will include the costs associated with the solid waste and recycling collection services.

### UNCLAIMED PROPERTY REPORT

Ms. Tesalonika presented to and reviewed with the Board a copy of MAC's Unclaimed Property Report as of March 1, 2024, a copy of which is attached to the Bookkeeper's Report, reflecting that the MAC had \$285.06 of unclaimed property to report and requested authorization to file same with the Texas Comptroller of Public Accounts (the "Comptroller") prior to July 1, 2024. After discussion, Director Reyenga moved that the Unclaimed Property Report be approved and that MAC be authorized to file said Report with the Comptroller prior to July 1, 2024. Director Myers seconded said motion, which unanimously carried. A copy of the Unclaimed Property Report is attached to the Bookkeeper's Report.

### DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Halbert next presented to and reviewed with the Board a Detention and Drainage Facilities Report dated June 10, 2024, a copy of which report is attached hereto as **Exhibit I**. There was no action required by the Board on this matter.

Mr. Halbert next presented to and reviewed with the Board the current Annual Maintenance Budget for the 8.47 acre-tract located along Turkey Creek within Addicks Reservoir, the 7.3 acre-tract on North Turkey Creek and the 1.7 acre-tract of Satsuma Lakes Amenity Lakes and the above ground unit at Satsuma Lake Villas (collectively, the "2024 Annual Budget"). He then presented to and reviewed with the Board a proposed revised Annual Maintenance Budget for fiscal year ending August 31, 2024, as prepared by Champions Hydro-Lawn, Inc., for the same tracts with the inclusion of additional mowing services during the summer months, as highlighted in yellow on the proposed rate schedule (collectively, the "2024 Revised Annual Budget"). Copies of both budgets are attached to the Detention and Drainage Facilities Report. Mr. Cranner noted that an amendment to the service agreement with Champions will not be needed for the revised exhibits to the agreement.

Following discussion, Director Reyenga then moved that the 2024 Revised Annual Budgets be approved as presented. Director Ecklund seconded said motion which unanimously carried.

#### MAINTENANCE OF SATSUMA LAKES DETENTION POND

In connection with the discussion held last month regarding the maintenance of the Satsuma Lakes detention pond, Mr. Cranner discussed with the Board the need to authorize SPH to prepare an access easement (the "Easement") to be granted by the Nanaksar Colony Homeowners Association (the "HOA") to the District in order to allow Champions to access and maintain the Satsuma Lakes detention pond. After discussion, the Director Reyenga moved to authorize SPH to prepare the Easement and submit same to the HOA for approval and execution and, that the Board approve the Easement, subject to the approval of same by the HOA and Director Cobb seconded said motion, which unanimously carried.

#### COMMUNICATIONS REPORT

Ms. Hartwell next presented to and reviewed with the Board the Communications Report for the month of June 10, 2024, a copy of which is attached hereto as **Exhibit J**.

#### ENGINEER'S REPORT

Mr. Chovanec's presented to and reviewed with the Board a written Report on Engineering dated June 10, 2024, a copy of which is attached hereto as **Exhibit K** relative to the status of various projects within the District.

Mr. Chovanec next presented to and requested approval for the payment of two pay requests from Champions totaling \$2,332.59 for storm quality maintenance work completed at Turkey Creek in Satsuma Lakes and for maintenance work completed at Turkey Creek in Addicks Reservoir; copies of the pay requests are attached to the Engineer's Report. After discussion, Director Reyenga moved to approve the two pay requests from Champions totaling \$2,332.59. Director Ecklund seconded said motion, which unanimously carried.

Mr. Chovanec then presented the District's Capital Improvement Plan (the "CIP"), which is included under (e) in the Engineer's Report. Director Ecklund suggested that Benchmark revise the CIP and provide to include more detail for each project and expense, and include an inspection of District facilities schedule. After discussion, the Board concurred with Director Ecklund and authorized to prepare a draft Facility Inspection Schedule for Board review, and to work with Board members on a revised CIP.

#### ISSUANCE OF UTILITY COMMITMENTS

The Board deferred consideration of utility commitment requests after noting that no new requests had been received.

#### EMERGENCY RESPONSE MEASURES

As discussed earlier in the meeting, when the Board authorized SPH to prepare a revised Form of First Amendment between the District and Best Trash relative storm debris clean-up, Director Ecklund and Director Reyenga noted that the Board should consider implementing policies and procedures relative to emergency response measures in between Board meetings. A discussion ensued regarding the parameters of the boards authority to act under an emergency situation and after discussion, the Board concurred to authorize SPH to draft a resolution or order for the Board to consider at the July meeting regarding District emergency response protocol.

#### ANNUAL MAINTENANCE FOR ARBITRAGE ANALYSIS REPORT

Mr. Cranner next presented to and reviewed with the Board the Annual Maintenance for Arbitrage Analysis Report (the "Report") dated May 22, 2024, prepared by Municipal Risk Management Group, L.L.C. ("MRMG"), a copy of which is attached hereto as **Exhibit L**. Mr. Cranner noted that there was no action required by the Board at this time.

#### ENGAGEMENT OF ARBITRAGE COMPLIANCE SPECIALISTS

Mr. Cranner then presented for the Board's approval an engagement letter for arbitrage compliance services from Arbitrage Compliance Specialists ("ACS") relative to the District's \$6,230,000 Unlimited Tax Refunding Bonds, Series 2020 and the \$2,470,000 Unlimited Tax Refunding Bonds, Series 2021 (the "Series 2021 Bonds"). Mr. Cranner advised the Board that every five years federal tax law requires a review to monitor compliance by the issuers of certain tax-exempt bonds with various requirements, including that the proceeds of the bonds not be invested at yields exceeding the interest rate on the bonds themselves. Mr. Cranner then stated that non-compliance with these requirements may result in arbitrage rebate payments being owed by the issuer to the federal government. Mr. Cranner next advised that ACS will perform the necessary analysis and prepare a report to identify whether any compliance issues exist in connection with the either the Series 2020 Bonds or the Series 2021 Bonds. He stated that the ACS's fee to service the Series 2020 Bonds is \$2,650 per report, and to service the Series 2021 Bonds is \$2,050 per report, and that if additional services are necessary, they will be performed at ACS's standard hourly rates as set forth in the engagement letter. After discussion of the matter, Director Reyenga moved that the Board approve the engagement letter from ACS for arbitrage

rebate services, and that the President be authorized to execute same on behalf of the Board and the District. Director Ecklund seconded said motion, which unanimously carried. A copy of the ACS engagement letter is attached hereto as **Exhibit L**.

VOTING SYSTEM ANNUAL FILING FORM

The Board next considered approval of a Voting System Annual Filing Form from the Texas Secretary of State's Office. Mr. Craner advised that, pursuant to the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said form with the Texas Secretary of State's Office. After discussion on the matter, Director Ecklund moved that the form be approved and that SPH be authorized to file same with the Texas Secretary of State's Office, as required by law. Director Meyers seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Craner then presented to and reviewed with the Board a notice for the TCEQ Public Drinking Water Conference, of August 6-7, 2024, a copy of the meeting notice is attached hereto as **Exhibit M**.

FUTURE AGENDAS

The Board considered items for placement on future agendas. After consideration on the matter, no specific agenda items, other than routine and ongoing matters and those discussed above, were requested.

Director Ecklund reminded the Board that he will not be in attendance at the July Board meeting.

ADJOURNMENT

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



  
Secretary

## LIST OF EXHIBITS

- Exhibit A Best Trash Emergency Storm Debris Clean Up Report
- Exhibit B Form of First Amendment to Residential Solid Waste Collection Contract
- Exhibit C Tax Assessor-Collector Report
- Exhibit D Delinquent Tax Report
- Exhibit E Operations and Maintenance Report
- Exhibit F Draft Service Agreement with Accurate Utility Supply, LLC and Draft Beacon SAAS Managed Solutions Master Agreement with Badger Meter, Inc.
- Exhibit G Resolution Authorizing Application to the Texas Commission on Environmental Quality
- Exhibit H Bookkeeper's Report
- Exhibit I Detention and Drainage Facilities Report
- Exhibit J Communications Meeting Report
- Exhibit K Engineer's Report
- Exhibit L Annual Maintenance for Arbitrage Analysis Report and Arbitrage Compliance Specialists, Inc. Engagement Letter
- Exhibit M Texas Commission on Environmental Quality Public Drinking Water Conference