

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 370
Minutes of Meeting of Board of Directors
May 13, 2024

The Board of Directors of Harris County Municipal Utility District No. 370 met in regular session, open to the public on May 13, 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, thus constituting a quorum.

Also attending the meeting were: Phillip Dautrich of TNG Utility Corp. ("TNG"); Putri Tesalonika of Municipal Accounts & Consulting, L.P. ("MAC"); Brian Chovanec of Benchmark Engineering Corporation ("Benchmark"); Danielle Harleston 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

The Board deferred consideration of comments from the public, as no members of the public were present.

ACCEPTANCE OF OFFICIAL BONDS, STATEMENTS OF ELECTED OFFICERS, AFFIDAVITS OF CURRENT DIRECTORS, ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION AND OATHS OF OFFICE FOR MICHAEL ECKLUND, LINDA MYERS AND CHARLES WERNINGER

In connection with their election as Directors of the District, the Oaths of Office, Affidavits of Current Directors and Statements of Elected Officer were presented for Directors Ecklund, Myers and Werninger. Their Official Bonds were then presented to the Board and the Board found said Bonds to be in proper form. It was then moved by Director Reyenga, seconded by Director Cobb, and unanimously carried, that the Board approve said Bonds and accept said Statements of Elected Officer, Affidavits of Current Directors and Oaths, and declare Michael Ecklund, Linda Myers and Charles Werninger to be duly elected and qualified Directors of the District.

ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION

Mr. Cranner presented to the Board an Election Not to Disclose Certain Information for the newly elected directors. He 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, including any additional information in the District's custody that is not specifically listed on the Disclosure Form. Upon review, Director Reyenga moved that the Election Not to Disclose Form be accepted as executed by Directors Ecklund, Myers and Werninger. Director Cobb seconded said motion, which unanimously carried.

ELECTION OF OFFICERS

The Board considered the reorganization of the Board of Directors and election of officers. No nominations were made, and after discussion, Director Reyenga moved that each director maintain his or her respective officer position. Director Cobb seconded said motion, which unanimously carried.

DISTRICT REGISTRATION FORM

The Board considered approving an updated District Registration Form (the "Form"). Mr. Cranner explained that the Form would be filed with the Texas Commission on Environmental Quality (the "TCEQ") to record the Directors' new terms of Directors Ecklund, Myers and Werninger. After review and discussion of the Form, Director Reyenga moved that SPH be authorized to prepare the Form and submit it to the TCEQ. Director Myers seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICERS LIST

Mr. Cranner reminded the Board that, pursuant to amendments to Chapter 176 of the Texas Local Government Code, the District is required to and does maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Reyenga moved that the District prepare and maintain a list of local government officers as required by law in connection with Director appointments and/or elections to the Board. Director Myers seconded said motion, which unanimously carried.

APPROVAL OF MINUTES

The Board reviewed the minutes of its meeting held on April 8, 2024. After review and discussion of the minutes presented, Director Cobb moved that such minutes be approved, as presented. Director Reyenga seconded said motion, which unanimously carried.

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") and he is awaiting the receipt of the executed Agreement from VAL. He then queried the District's bookkeeper as to what has been paid to VAL to date. A discussion then ensued regarding amending the District's Fiscal Year Ending 2024 Operating Budget to include the costs agreed to the Agreements with VAL and Lakes on Eldridge North Homeowner's Association ("LOEN"). After discussion, the Bookkeeper verified the amount. Director Werninger noted that he will follow up on the status of the execution and delivery of the Agreement at the VAL Board meeting tonight.

In connection with the discussion last month, Mr. Cranner reported that the District has a security agreement with LOEN and pays \$3,700 per month. He confirmed that there are no restrictions as to hiring private security. After discussion, the Board concurred to defer further discussion of the matter until LOEN presents the Board with a formal request.

In connection with the discussion last month regarding who is responsible for the management of the reserve on Turkey Creek and north of Little York near Orchid Trails (the "Reserve"), Mr. Cranner reported that VAL is the regulating entity for the Reserve.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Harleston presented to and reviewed with the Board the Tax Assessor-Collector Report for the period ending April 30, 2024, and the Delinquent Tax Roll as of April 30, 2024, copies of which are attached hereto as **Exhibit A**, including the disbursements presented for payment, as listed therein. Following discussion, it was duly moved by Director Ecklund, seconded by Director Myers, 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 May 7, 2024, prepared by Ted A. Cox, P.C. ("Cox"), the District's delinquent tax attorney, a copy of which is attached hereto as **Exhibit B**. 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 May 13, 2024, a copy of which is attached hereto as **Exhibit C**.

Mr. Dautrich then reported that the District has been approved as a Water Smart District. He then reported that the mowers are damaging the manhole rings with the mower blades when they mow around them. He requested that the blade height be increased when mowing around the manhole rings.

Mr. Dautrich further reported that the pressure testing has been completed and the water pressure problem at night has been resolved.

Mr. Dautrich next reported on the status of the scheduling of the Wastewater Treatment Plant tour. He noted that he needs to confirm the date and time with a third party vendor and when it is confirmed he will notify the Board.

CONSUMER CONFIDENCE REPORT

The Board considered the 2023 Consumer Confidence Report ("CCR"). In connection therewith, Mr. Cranner reminded the Board that, as discussed last month, pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the Texas Commission on Environmental Quality, the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2024. Mr. Dautrich presented to and reviewed with the Board a draft copy of the CCR and requested approval of same by the Board. After discussion on the matter, Director Reyenga moved that the 2023 CCR be approved, subject to SPH's final review and approval, and that TNG be authorized to distribute same electronically to the District's customers via a direct URL Link on the monthly water bills prior to July 1, 2024. Director Ecklund seconded said motion, which carried unanimously. A copy of the draft CCR is attached to the Operations and Maintenance Report.

ACCURATE METER AND SUPPLY PRESENTATION (continued)

Mr. Dautrich presented to and reviewed with the Board a summary Smart Meter Cost Benefit Analysis, a copy of which is attached hereto as **Exhibit D**. A discussion ensued regarding how to fund the proposed Smart Meter Installation. Mr. Cranner noted that the project may be able to be commenced using operating funds to fund a portion of the project with the intent of reimbursing the District's operating funds account with approved surplus funds. After discussion, the Board concurred to: (i) use operating account funds to fund a portion of the project with the intent to reimburse said operating account with approved surplus funds once available, if permitted ; (ii) authorize TNG to provide SPH the Smart Water Meter Agreement and Texas Ethics Commission Form 1295 for review prior to the June Board meeting; and (iii) authorize SPH to prepare a surplus resolution to the TCEQ for approval at the June Board meeting.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Ms. Tesalonika presented to and reviewed with the Board the Bookkeeper's Report dated May 13, 2024, a copy of which is attached hereto as **Exhibit E**, including the disbursements presented for payment. Ms. Tesalonika additionally presented the Quarterly Investment Inventory Report for the period ended February 29, 2024, a copy of which is attached to the Bookkeeper's Report. After discussion, it was moved by Director Cobb, seconded by Director Reyenga, and unanimously carried, that the Bookkeeper's Report be approved and the checks presented therein be authorized for payment, and (ii) the Quarterly Investment Inventory Report be approved and the District's Investment Officer be authorized to execute same on behalf of the Board and District.

AMENDMENT OF DISTRICT'S FISCAL YEAR END 2024 OPERATING BUDGET (the "AMENDED BUDGET")

The Board next considered the approval of the proposed Amended Budget. Ms. Tesalonika presented to and reviewed with the Board the proposed Amended Budget, a copy of which is attached to the Bookkeeper's Report. After discussion, it was moved by Director Cobb, seconded by Director Reyenga, and unanimously carried, that the proposed Amended Budget be approved as presented. A copy of the approved Amended Budget is attached to the Bookkeeper's Report.

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 no unclaimed property to report. She then 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.

Mr. Dautrich exited the meeting at this time.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Halbert next presented to and reviewed with the Board a Detention and Drainage Facilities Report dated May 13, 2024, a copy of which report is attached hereto as **Exhibit F**. There was no action required by the Board on this matter.

Mr. Halbert then reported the Nanaksar Colony Homeowners Association (the "HOA") has requested Champions to mow the perimeter of the Satsuma Lakes detention pond (the "Work Site") two times per week every week during the summer. He instead recommends that the District increase the mowing schedule from two times per month to four times per month during the summer. After discussion, the Board concurred to consider an amendment to the District's Service Contract with Champions to reflect a revised mowing schedule of the Satsuma Lakes Detention Pond, from two times per month to four times per month during the summer season; and to consider the acceptance of an access easement to be granted by the HOA to the District for access to the detention pond for the purposes of maintaining it.

Director Reyenga exited the meeting during the discussion of the maintenance of the perimeter of the Satsuma Lakes detention pond.

COMMUNICATIONS REPORT

Ms. Hartwell next presented to and reviewed with the Board the Communications Report for the month of May 13, 2024, a copy of which is attached hereto as **Exhibit G**.

ENGINEER'S REPORT

Mr. Chovanec's presented to and reviewed with the Board a written Report on Engineering dated May 13, 2024, a copy of which is attached hereto as **Exhibit H** 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 \$3,246.00 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 Cobb moved to approve the two pay requests from Champions totaling \$3,246. Director Myers seconded said motion, which unanimously carried.

Mr. Chovanec then requested the Board to consider deferring the Cypress Tree Inspection at this time. He then reported that the Lake Edge Retaining Wall Inspection is scheduled for May 2024, and is estimated to cost approximately \$125,000. Mr. Chovanec informed the Board that all Cypress Trees near the retaining walls will be inspected and included in the inspection report. He anticipates presenting the inspection report at the June Board meeting. After discussion, the Board concurred to authorize Benchmark to complete the Lake Edge Retaining Wall Inspection for a cost not to exceed \$125,000.

ISSUANCE OF UTILITY COMMITMENTS

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

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Cranner presented to the Board the District's Fiscal Year End 2023 EVO Report and Summary. Copies of the report and summary are attached hereto as **Exhibit I**.

Mr. Cranner then presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit J**, regarding the use of social media by public officials. In connection therewith, Mr. Cranner advised the Board that directors should exercise caution when posting about District-related matters on their personal social media pages in light of recent U.S. Supreme Court cases, as further discussed in the memorandum.

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.

ADJOURNMENT

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


Secretary



LIST OF EXHIBITS

- Exhibit A Tax Assessor-Collector Report
- Exhibit B Delinquent Tax Report
- Exhibit C Operations and Maintenance Report
- Exhibit E Bookkeeper's Report and Quarterly Investment Report
- Exhibit F Detention and Drainage Facilities Report
- Exhibit G Communications Meeting Report
- Exhibit H Engineer's Report
- Exhibit I FYE 2023 EVO Report and a Summary
- Exhibit J Memorandum Use of Social Media by Public Officials