

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 370
Minutes of Meeting of Board of Directors
September 9, 2024

The Board of Directors of Harris County Municipal Utility District No. 370 met in regular session, open to the public on September 9, 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, except for Director Werninger.

Also attending the meeting were: Charles A. "Chuck" Caughey, Treasurer of the Lakes on Eldridge North Community Association, Inc. (the "LOEN CA"); Daryl Bullinger of Accurate Meter Supply ("AMS"); Anthea Moran of Masterson Advisors LLC ("Masterson"); Phillip Dautrich of TNG Utility Corp. ("TNG"); Putri Tesalonika of Municipal Accounts & Consulting, L.P. ("MAC"); Brian Chovanec of Benchmark Engineering Corporation ("Benchmark"); Wendy Maddox of B&A Municipal Tax Service, LLC ("B&A"); Zach Halbert of Champions Hydro-Lawn, Inc. ("Champions"); Michael Willette and Daenon "Dee" Russell of Touchstone District Services, LLC ("Touchstone"); and Gordon Craner and Melia Berry of Schwartz, Page & Harding, L.L.P. ("SPH"). District resident Shiniqua Miles entered later during the meeting in the meeting, as noted herein.

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

APPROVAL OF MINUTES

The Board reviewed the minutes of its meeting held on August 12, 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.

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

There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2024 tax rate. Mr. Craner advised that, pursuant to the Texas Water Code, 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. Mr. Craner 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. He explained 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.

Ms. Moran then presented the Board with a Tax Rate Analysis prepared by Masterson, a copy of which is attached hereto as **Exhibit A** and reviewed her recommendation regarding the proposed 2024 debt service and maintenance tax rates. After discussion on the matter, Director Reyenga moved that: (i) the Board indicate its intention to set a 2024 debt service tax rate of \$0.18 per \$100 of assessed valuation and a 2024 maintenance tax rate of \$0.11 per \$100 of assessed valuation, resulting in a combined 2024 tax rate of \$0.29 per \$100 of assessed valuation; and (ii) B&A 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 Ecklund seconded said motion which unanimously carried. The Board concurred that the notice should be published by B&A in the Houston Chronicle.

A discussion ensued regarding the remaining developer reimbursement. Mr. Craner reported that he is working with the District's auditor to determine the remaining amounts owed to the developer.

Ms. Shiniqua entered the meeting during the discussion of the proposed tax rate. Ms. Moran exited the meeting at this time.

PUBLIC COMMENTS

Ms. Miles addressed the Board and requested a credit on her recent water bill for water lost due to a water leak that went undetected for one month. Ms. Miles explained that after Hurricane Beryl her home lost power, flooded and she left for one month. During that time her backflow preventor broke causing a water leak that was undetected until she returned to her home a month later. She noted that the backflow preventor has been repaired. Mr. Dautrich reported that the well housing on the Ms. Miles's backflow preventor broke. After discussion, Director Reyenga moved authorize TNG to adjust Ms. Miles's last water bill by removing \$259.00 consisting of the sanitary sewer fee and the cost of water under the District's rate order, but not including amounts owed to the water authority for the volume of water metered, waive the related sanitary sewer fee on the bill and authorize a six-month payment plan for Ms. Miles to pay the remainder of the outstanding bill. Director Cobb seconded the motion, which carried unanimously.

Mr. Caughey next addressed the Board and presented to and reviewed with the Board a cost summary outlining the District's payments made to LOEN CA from 2018 through 2025 for Harris County Sheriff Officer patrol services, a copy of which is attached hereto as **Exhibit B**. Mr. Caughey requested the Board consider raising the security funding cap to 62.4%. After discussion, the Board authorized MAC to prepare a funding analysis on the District supplementing the Villages at Lakepoint Community Association and LOEN CA security costs 100%.

TAX ASSESSOR-COLLECTOR'S REPORTS

Ms. Maddox reported that Nolan Poorbaugh is no longer with B&A and that Avik Bonnerjee will be attending the Board meeting next month. She then presented to and reviewed

with the Board the Tax Assessor-Collector Report for the period ending August 31, 2024, a copy of which is attached hereto as **Exhibit C**, including the disbursements presented for payment, as listed therein. Ms. Maddox requested the Board add to the October agenda the consideration of an Amended and Restated Agreement for Tax Assessor/Collector Services. Following discussion, it was duly moved by Director Reyenga, seconded by Director Ecklund, 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 September 3, 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.

Mr. Caughey exited the meeting at this time.

OPERATIONS AND MAINTENANCE REPORT

Mr. Dautrich presented to and reviewed with the Board the Operations and Maintenance Report dated September 9, 2024, a copy of which is attached hereto as **Exhibit E**.

Mr. Dautrich next provided a status report on the delivery and installation schedule of the smart meters. He reminded the Board that residents will not have access to water for approximately 45 minutes to an hour during the installation of the smart water meters, and that TNG will be in communication with residents regarding the schedule of installation at their properties.

Mr. Cranner queried Mr. Dautrich as to the status of the delinquent account of Urban Construction in the amount of \$48,760.45. Mr. Dautrich reported that it is believed that the meter is defective, but TNG will inspect it to confirm.

After discussion, it was moved by Director Ecklund, seconded by Director Reyenga and unanimously carried to approve the Operations and Maintenance Report.

OPERATION AND MAINTENANCE CONSUMER PRICE ADJUSTMENT

Mr. Dautrich then presented to and reviewed with the Board the annual Consumer Price Index Rate Increase Recommendation/Comparison of the current rates and proposed increase, a copy of which is attached hereto as **Exhibit F**.

AMENDMENT TO PROFESSIONAL SERVICES CONTRACT BETWEEN THE DISTRICT AND TNG UTILITY CORP.

The Board next considered approval of a Fourth Amendment to the Professional Service Contract by and between the District and TNG (the "Fourth Amendment"), a copy of which is attached hereto as **Exhibit G**. Mr. Cranner advised the Board that TNG had submitted its 2024 rate increase recommendations, and that SPH has drafted said amendment to the Professional Service Contract between the District and TNG to reflect same. Mr. Cranner then presented and

reviewed with the Board the proposed Fourth Amendment. After discussion on the matter, Director Reyenga moved to approve the Fourth Amendment, authorize the President to execute same on behalf of the District, and authorize SPH to accept and acknowledge receipt of a Texas Ethics Commission ("TEC") Form 1295 from TNG. Director Ecklund seconded said motion, which unanimously carried.

Mr. Cranner noted that the District Rate Order will not need to be amended at this time.

ACCURATE METER SUPPLY PRESENTATION

Mr. Bullinger next presented to and reviewed with the Board the District Pressure Monitor Trial Report which was prepared from the sensor testing that was conducted within the District between February 7, 2024, and May 22, 2024. A copy of the Report is attached hereto as **Exhibit H**. After discussion, the Board authorized TNG to prepare a pressure monitor installation plan for presentation to the Board at the October Board meeting.

Mr. Dautrich and Mr. Bullinger exited the meeting at this time.

BOOKKEEPER'S REPORT

Ms. Tesalonika presented to and reviewed with the Board the Bookkeeper's Report dated September 9, 2024, a copy of which is attached hereto as **Exhibit I**, including the disbursements presented for payment. After discussion, it was moved by Director Reyenga, seconded by Director Cobb, and unanimously carried, that the Bookkeeper's Report be approved, and the checks presented therein be authorized for payment.

ADOPTION OF OPERATING BUDGET

Ms. Tesalonika asked the Board to defer the consideration to amend the District's fiscal year 2025 Operating Budget until the October meeting. After discussion, the Board concurred with Ms. Tesalonika's request.

SURPLUS FUNDS RESOLUTION FOR SMART METER INSTALLATION PROJECT

Mr. Cranner reported that the TCEQ has approved the District's surplus funds resolution to utilize the remaining Series 2022 Unlimited Tax Bonds to reimburse the District's general operations fund for the installation of smart meters.

DETENTION AND DRAINAGE FACILITIES REPORT AND DESILT REPORT

Mr. Halbert next presented to and reviewed with the Board a Detention and Drainage Facilities Report and the Desilt Report, both dated as of September 9, 2024, copies of the reports are attached hereto as **Exhibit J**.

COMMUNICATIONS REPORT

Ms. Russell presented to and reviewed with the Board the Communications Report dated September 12, 2024, a copy of which is attached hereto as **Exhibit K**.

Michael Willett next presented to and reviewed with the Board a proposed Exhibit A3 to the Consulting Agreement between Touchstone and the District for Smart Meter Public Outreach Campaign Services (the "Amendment"). After discussion, it was moved by Director Ecklund, seconded by Director Reyenga, and unanimously carried, to approve the Amendment and authorize SPH to accept and acknowledge the related TEC Form 1295 on behalf of the Board and the District. The Amendment is attached hereto as **Exhibit L**.

Mr. Cobb left the meeting during the discussion of the Communications Report.

ENGINEER'S REPORT

Mr. Chovanec's presented to and reviewed with the Board a written Report on Engineering dated September 9, 2024, a copy of which is attached hereto as **Exhibit M** 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 \$2,861.51 for storm quality maintenance work completed, 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 \$2,861.51. Director Meyers seconded said motion, which unanimously carried.

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. Craner presented to and reviewed with the Board a memorandum prepared by SPH regarding the Tyco and BASF Class Action Settlements (the "Settlements") relating to the presence of PFAS (polyfluoroalkyl substances) in drinking water (the "Memorandum"). Following discussion, the Board concurred not to opt out of the Settlements. A copy of the Memorandum is attached hereto as **Exhibit N**.

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 Reyenga, seconded by Director Myers, and unanimously carried, the meeting was adjourned.



M.C. [Signature]
Secretary

LIST OF EXHIBITS

- Exhibit A 2024 Tax Rate Analysis
- Exhibit B Harris County Sheriff Officer Patrol Cost Summary
- Exhibit C Tax Assessor-Collector Reports
- Exhibit D Delinquent Tax Report
- Exhibit E Operations and Maintenance Report
- Exhibit F Consumer Price Index Rate Increase Recommendation/Comparison
- Exhibit G Fourth Amendment to the Professional Service Contract
- Exhibit H District Pressure Monitor Trial Report
- Exhibit I Bookkeeper's Report
- Exhibit J Detention and Drainage Facilities Report
- Exhibit K Communications Meeting Report
- Exhibit L Exhibit A3 to the Consulting Agreement: Smart Meter Public Outreach Campaign
- Exhibit M Engineer's Report
- Exhibit N Tyco and BASF Class Action Settlements Relating to Presence of PFAS in Water Sources Memorandum