

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 370
Minutes of Meeting of Board of Directors
October 14, 2024

The Board of Directors of Harris County Municipal Utility District No. 370 met in regular session, open to the public on October 14, 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 Directors Reyenga and Werninger.

Also attending the meeting were: Michael Tsoukias, President of Villages at LakePoint Homeowner's Association ("Val HOA"); Charles A. "Chuck" Caughey, Treasurer of the Lakes on Eldridge North Community Association, Inc. (the "LOEN CA"); Phillip Dautrich of TNG Utility Corp. ("TNG"); Cynthia Colandres and Toto Ontowiryo of Municipal Accounts & Consulting, L.P. ("MAC"); Brian Chovanec of Benchmark Engineering Corporation ("Benchmark"); Avik Bonnerjee and Nikki Moore of B&A Municipal Tax Service, LLC ("B&A"); Sam Miskimins of Champions Hydro-Lawn, Inc./Ethoscapes ("Champions"); Daenon "Dee" Russell of Touchstone District Services, LLC ("Touchstone"); and Gordon Cranner and Melia Berry of Schwartz, Page & Harding, L.L.P. ("SPH").

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

PUBLIC COMMENTS

Mr. Tsoukias and Mr. Caughey deferred discussion of the funding of the HOA Security Contracts until later in the meeting.

APPROVAL OF MINUTES

The Board reviewed the minutes of its meeting held on September 9, 2024. After review and discussion of the minutes presented, Director Myers moved that such minutes be approved, as presented. Director Cobb seconded said motion, which unanimously carried.

CONDUCT PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2024 TAX RATE

As the next order of business, the Board conducted a public hearing regarding the adoption of the District's proposed tax rate for 2024. Mr. Tsoukias and Mr. Caughey had no comments. The public hearing was then closed.

LEVY OF THE DISTRICT'S 2024 TAXES

The Board next considered setting the District's 2024 tax rate. Mr. Bonnerjee confirmed that the notice of the District's intention to set a tax rate had been published in the *Houston Chronicle* in accordance with all legal requirements and as directed at the Board's September 9, 2024, meeting. After discussion on the matter, Director Cobb moved that: (i) the District levy a 2024 debt service tax at the rate of \$0.18 per \$100 of assessed valuation and a 2024 maintenance tax at the rate of \$0.11 per \$100 of assessed valuation, resulting in a total 2024 tax rate of \$0.29 per \$100 of assessed valuation; and (ii) the Order Levying Taxes, attached hereto as **Exhibit A**, be adopted in connection therewith, and that the Vice President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Ecklund seconded said motion, which carried unanimously.

APPROVAL AND EXECUTION OF AN AMENDMENT TO SECOND AMENDED AND RESTATED DISTRICT INFORMATION FORM (THE "AMENDMENT")

Mr. Cramer reviewed with the Board the proposed Amendment in connection with the District's 2024 tax rate. He advised that the Amendment must be prepared and recorded in the Real Property Records of Harris County and filed with the Texas Commission on Environmental Quality when any of the required information therein changes. He advised that this Amendment reflects the District's 2024 tax rate and the reference to same in the form Notice to Purchasers attached thereto. After discussion, Director Myers moved that (i) the Amendment be approved and that all of the Board members present be authorized to execute same on behalf of the Board and the District, and (ii) SPH be authorized and directed to timely record said Amendment in the real property records of Harris County. Director Cobb seconded said motion, which unanimously carried.

FUNDING OF HOMEOWNER'S ASSOCIATIONS ("HOA'S") SECURITY CONTRACTS FOR 2024-2025 TERM

Mr. Tsoukias informed the Board that the VAL HOA no longer has a security contract with Harris County Sheriff's Office ("HCSO"). Instead, VAL HOA has a two-month private security contract that was previously approved by the VAL HOA Board that will not be partially subsidized by the District. Mr. Tsoukias requested the Board to consider funding one Harris County Constable ("HCCO") deputy at 100% time instead of funding a capped percentage of a 70/30 contract with the HCSO, as it has done in the past. Mr. Tsoukias noted that he is working to have the VAL HOA engage HCSO or the HCCO in December 2024. The Board discussed the matter. Director Ecklund supported: (i) removing the funding cap; and (ii) funding 64.2% of a 70/30 contract with either the HCSO or HCCO. Ms. Colandres presented to and reviewed with the Board a Security Payment Summary prepared by MAC reflecting the current security payments to both VAL HOA and

LOEN CA as well as hypothetical payments if the District were to adopt a percentage of cost model for both 70% and 100% deputies, a copy of the summary is attached hereto as **Exhibit B**. After discussion, Director Cobb moved to authorize SPH to prepare amendments to the Agreements for Law Enforcement Services by and between the District and VAL HOA and LOEN CA to reflect the District's agreement to fund 64.2% of a 70/30 contract with either the HCSO or HCCO for each respective entity. Director Myers seconded said motion, which unanimously carried. Mr. Cranner noted that the contracts will be prepared and ready for consideration at the November Board meeting and the District's 2025 budget will be amended to reflect the new security payments.

Mr. Tsoukias exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORTS

Mr. Bonnerjee then presented to and reviewed with the Board the Tax Assessor-Collector Report for the period ending September 30, 2024, a copy of which is 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 Ecklund, and unanimously carried, that the Tax Assessor-Collector Report be approved, and the disbursements identified therein be authorized for payment.

FEE INCREASE AND AMENDED AND RESTATED AGREEMENT FOR SERVICES OF TAX ASSESSOR COLLECTOR

Mr. Bonnerjee presented to and reviewed with the Board a proposed Fee Increase Summary, a copy of which is attached hereto as **Exhibit D**, and requested Board approval to increase the rates reflected in the Summary. Mr. Cranner next presented and reviewed with the Board a proposed Amended and Restated Agreement for Services of Tax Assessor Collector (the "Amended and Restated Agreement"), and recommended the Board's approval of the Amended and Restated Agreement. After discussion, Director Cobb moved that the Amended and Restated Agreement, as presented, be approved and that SPH be authorized to acknowledge B&A's Texas Ethics Commission Form 1295 submitted in connection therewith. Director Ecklund seconded said motion, which unanimously carried. A copy of the Amended and Restated Agreement is attached hereto as **Exhibit E**.

DELINQUENT TAX REPORT

Mr. Cranner presented to and reviewed with the Board the Delinquent Tax Report dated October 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 F**. It was noted that no Board action was required.

OPERATIONS AND MAINTENANCE REPORT

Mr. Dautrich presented to and reviewed with the Board the Operations and Maintenance Report dated October 14, 2024, a copy of which is attached hereto as **Exhibit G**.

Mr. Dautrich next provided a status report on the installation of the smart meters. A discussion regarding the fees associated with the monitoring services provided by Badger Meter, Inc. Mr. Dautrich noted that he would compile the list of regular fees so that the District can update its budget accordingly.

Mr. Dautrich reported that the necessary lead and copper inventories have been submitted to the Texas Commission on Environmental Quality (the "TCEQ"). Mr. Dautrich went on to report that the District has no lead service lines or galvanized service lines requiring replacement. The District has found no evidence of the use of lead service lines: (i) in the system records, including distribution system maps and drawings, historical records, meter installation records, inspections and records of the distribution system that indicate the material composition, or (ii) when reading water meters or performing maintenance activities in the course of normal system operations. The District has completed a lead and copper inventory and through field investigation of the distribution system, it has been determined that the system has no lead service lines or galvanized requiring replacement service lines. Mr. Craner noted that a statement pertaining to the survey's findings was posted on the District's website.

There was no action required by the Board at this time.

DEVELOPER REIMBURSEMENT AUDIT FOR THE FINAL PAYMENT TO URBAN WLY, LP.

Mr. Craner presented to and reviewed with the Board the Interest Calculation Summary prepared by Forvis Mazars, LLP and attached hereto as **Exhibit H**. He noted that the estimated reimbursement amount to WLY, LP is \$1,132,745.18. Mr. Craner reported that the District's Financial Advisor will review the calculation and confirm the amount. Once that is done, the Board will then be able to approve the reimbursement to WLY, LP pursuant to the terms of the development agreement .

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Mr. Ontowiryo presented to and reviewed with the Board the Bookkeeper's Report dated October 14, 2024, a copy of which is attached hereto as **Exhibit I**, including the disbursements presented for payment, and additionally presented the Quarterly Investment Inventory Report for the period ended August 31, 2024, a copy of which is attached to the Bookkeeper's Report. After discussion, it was moved by Director Cobb, seconded by Director Myers, and unanimously carried, that: (i) 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.

COMPLIANCE WITH TEXAS GOVERNMENT CODE, CHAPTER 2265, RELATIVE TO ENERGY REPORTING

Concerning the status of compliance by the District with Texas Government Code, Chapter 2265, relative to energy reporting requirements, Mr. Ontowiryo noted that a copy of the report is attached to the Bookkeeper's Report.

ADOPTION OF OPERATING BUDGET

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

Director Ecklund presented to and reviewed with the Board an Actual Versus Budget Year-To-Date Comparison of revenues and selected expenses, a copy of the comparison is attached hereto as **Exhibit J**. He then suggested that the Board consider amending the District's budget just one time a year. He explained that all Board approved income and expenditures, would be reflected in the meeting minutes, and annually the Board would amend the District's Budget to reflect those changes.

Mr. Dautrich exited the meeting during the discussion of the Adoption of Operating Budget.

ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

The Board considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Investment Policy"), and the adoption of a Resolution in connection therewith. Mr. Cranner presented for the Board's adoption a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Resolution"). He advised that there were no recommended changes to the Investment Policy at this time. After discussion, Director Ecklund moved that the Investment Policy be affirmed, that the Resolution attached hereto as **Exhibit K** be adopted, and that the Vice President and Secretary be authorized to execute same. Director Cobb seconded said motion, which unanimously carried.

DETENTION AND DRAINAGE FACILITIES REPORT AND DESILT REPORT

Mr. Miskimins presented to and reviewed with the Board a Detention and Drainage Facilities Report and the Desilt Report, both dated as of October 14, 2024, copies of the reports are attached hereto as **Exhibit L**.

Mr. Miskimins next requested Board approval to repair the retaining wall cinder blocks located in locations around the three District lakes, as reflected in the photos attached to the Engineer's Report, which is attached hereto as **Exhibit N**. The Board deferred the matter until later in the meeting.

Mr. Miskimins then requested Board approval to replace the rusted-out drainage pipes located at Calico Falls Lane and Ballina Canyon Lane for an estimated cost of \$25,000. He noted that the headwall will need to be removed to get access to the damaged drainage pipes. After discussion, the Board authorized Benchmark to discuss repair options with Champions and to assist Champions in preparing a bid proposal for the project.

Mr. Bonnerjee exited the meeting at this time.

COMMUNICATIONS REPORT

Ms. Russell presented to and reviewed with the Board the Communications Report dated October 14, 2024, a copy of which is attached hereto as **Exhibit M**.

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

ENGINEER'S REPORT

Mr. Chovanec presented to and reviewed with the Board a written Report on Engineering dated October 14, 2024, a copy of which is attached hereto as **Exhibit N** 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 \$2,562.09 for storm quality maintenance work completed, copies of the pay requests are attached to the Engineer's Report.

In connection with the prior discussion of the repair of the retaining wall cinder blocks located in locations around the three District lakes, Mr. Chovanec estimated the repairs to cost approximately \$25,000. After discussion, the Board authorized Champions and Benchmark to prepare a proposal for the Board to consider at the November Board meeting.

Mr. Chovanec then reported that Benchmark is updating the District's GIS map to reflect the locations of the water lines, fire hydrants, water valves and pressure sensors. He noted that he will present a final map at the November Board meeting.

After discussion, Director Myers moved to approve the two pay requests from Champions totaling \$2,562.09. Director Ecklund 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. Cranner advised the Board that he had nothing additional to discuss with the Board of a legal nature which was not covered under specific agenda items.

FUTURE AGENDAS

The Board considered items for placement on future agendas. It was noted to include on the November agenda the discussion regarding procedures to amend the District's budget.

Mr. Chovanec exited the meeting during the discussion of future agendas.

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	Order Levying Taxes
Exhibit B	Security Payment Summary
Exhibit C	Tax Assessor-Collector Reports
Exhibit D	Fee Increase Summary
Exhibit E	Amended and Restated Amendment to Agreement for Services of Tax Assessor Collector
Exhibit F	Delinquent Tax Report
Exhibit G	Operations and Maintenance Report
Exhibit H	Interest Calculation Summary
Exhibit I	Bookkeeper's Report and Quarterly Investment Report
Exhibit J	Actual Versus Budget Year-To-Date Comparison
Exhibit K	Resolution Regarding Review of Investment Policy
Exhibit L	Detention and Drainage Facilities Report
Exhibit M	Communications Meeting Report
Exhibit N	Engineer's Report