

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 370

Minutes of Meeting of Board of Directors

April 8, 2024

The Board of Directors of Harris County Municipal Utility District No. 370 met in regular session, open to the public on April 8, 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: Sara Burson and Jennifer Hicks of Accurate Meter ("AM"); Christi Leighton of Best Trash, LLP ("Best Trash"); 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"). Stephanie Preto of the President of the Board of Directors of the Lakes on Eldridge North Community LOEN CA, Inc. (the "LOEN CA") entered later during 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.

PUBLIC COMMENTS

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

APPROVAL OF MINUTES

The Board reviewed the minutes of its meeting held on March 11, 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.

Ms. Preto entered the meeting during the discussion of the approval of the minutes.

DETENTION POND MAINTENANCE AGREEMENT

Mr. Cranner reported that the Board of Directors for the Villages at Lakepoint ("VAL") Homeowner's Association ("VAL") will consider the District's Amended and Restated Detention Pond and Landscape Reserve Maintenance Agreement with VAL (the "Agreement") at its meeting tonight.

Director Werninger then inquired whether the reserve on Turkey Creek and north of Little York, near Orchid Trails is included in the Agreement or the agreement with LOEN CA. He then explained that each Spring a resident holds a gathering in the reserve area adjacent to his home. Director Werninger informed the Board that the LOEN CA has requested that the District take action to prevent this annual function. Mr. Cranner noted that SPH will consider any liability concerns, once the ownership of the tract is determined.

The Board next considered the Winter Storm Uri documents. Mr. Cranner informed the Board that all final invoices had been received, and a check prepared for Board approval in the Bookkeeper's Report.

Mr. Cranner then reported that Director Tsoukakis of the VAL has informed SPH that the VAL has contracted with one off-duty Harris County Sheriff's Office (the "County") deputy who will provide 100% in-District patrol coverage versus the current 70/30 coverage offered by the County's contract deputies. Mr. Cranner noted that Director Tsoukakis has informed him that the VAL is interested in transitioning from the County deputies to private off-duty deputies in the future, along with extending the patrol shifts to provide 24-hour coverage to the District. Mr. Cranner noted that Director Tsoukakis requested the Board to consider subsidizing the off-duty deputies instead of the County's deputies. Director Preto further suggested that LOEN and Val may benefit by sharing security services. Director Reyenga wanted confirmation if the packaging plant and the fire station would be included in the cost sharing agreement. After discussion, the Board concurred to defer the matter until the LOEN HOA and the VAL presented a formal proposal to the Board to consider. No action was taken by the Board at this time.

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

Mr. Cranner informed Ms. Tesalonika that should VAL approve the Agreement tonight, then the Board will be ready to consider amending the District's FYE 2024 Operating Budget to include that costs agreed to the Agreements with VAL and LOEN. Mr. Cranner noted that the amendment to the Budget will also include the Best Trash's rates.

RESIDENTIAL SOLID WASTE PROVIDER TRANSITION

In connection with the recent transition of solid waste collection providers, Ms. Leighton addressed the Board. She reported receiving a complaint from District resident Victor Elgohary of 6406 Arcadia Bend Court, who originally contacted SPH to request that the District cancel the Best Trash contract and resume its old contract with Texas Pride Disposal Solutions, LLC ("Texas Pride"). Mr. Elgohary further reported that Best Trash initially refused to collect his trash that was contained in a 95 gallon bins that were not issued by Best Trash. Ms. Leighton explained to the

Board that Best Trash will only collect solid waste and recycle materials are contained in 30 to 40 gallon bins in order to protect their drivers from injuries, due to repeatedly handling oversized loads, and to avoid wasting time trying to accommodate for bulky oversized collections that will slow down the drivers and cause scheduling issues. After discussion, the Board concurred to maintain the current collection schedule, and to concur with Best Trash's recommendation to provide one courtesy collection to Mr. Elgohary and going forward, should Mr. Elgohary continue using non approved oversized collection bins, begin tagging him for each violation.

Ms. Leighton then reported receiving a phone call from District resident Mohebpour Hossa who requested that the District to go back to the old collection schedule, noting that she and other residents were not able to receive service on Saturdays. Ms. Leighton reported that she spoke with Ms. Hossa and noted that the problem is that Ms. Hossa is not home on Saturdays. Ms. Leighton also noted that the reason that Ms. Hossa has not received service yet is because she has not been putting her bins out before 7 a.m., which is when the trucks are scheduled to start servicing the District. After discussion, the Board concurred to maintain the current collection schedule.

Ms. Leighton and Director Preto exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Poorbaugh presented to and reviewed with the Board the Tax Assessor-Collector Report for the period ending March 31, 2024, and the Delinquent Tax Roll as of March 31, 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 Cobb, and unanimously carried, that the Tax Assessor-Collector Report be approved and the disbursements identified therein be authorized for payment.

UNCLAIMED PROPERTY REPORTS

The Board considered approving the Unclaimed Property Report of B&A as of March 1, 2024, a copy of which is attached hereto as **Exhibit B**, and authorizing B&A to file its respective report with the Texas Comptroller of Public Accounts (the "Comptroller") prior to July 1, 2024. After discussion on the matter, Director Ecklund moved that the Unclaimed Property Report be approved and that B&A be authorized to file said Report with the Comptroller prior to July 1, 2024. Director Cobb seconded said motion, which unanimously carried.

DELINQUENT TAX REPORT

Mr. Cranner presented to and reviewed with the Board the Delinquent Tax Report dated April 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 C**. 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 April 8, 2024, a copy of which is attached hereto as **Exhibit D**.

Mr. Dautrich then reported on the status of annual chlorine flushing of the District's lines. He noted that TNG has not seen any residuals and anticipates the project to be completed by the end of the week.

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.

ACCURATE METER AND SUPPLY PRESENTATION

Mr. Dautrich next introduced Ms. Burson and Ms. Hicks. Ms. Hicks then addressed the Board regarding the benefits and drawbacks of the Beacon AMA Polymer E-Series Meter and the Beacon AMA Bronze E-Series Meter. She then responded to questions from the Board. Copies of the Beacon AMA Polymer E-Series Meter and the Beacon AMA Bronze E-Series Meter Proposals and the Badger Meter Sales Brochure are attached hereto as **Exhibit E**.

After discussion, the Board noted that it was interested in pursuing the matter further and concurred to defer the matter until the May Board meeting.

Ms. Burson, Ms. Hicks exited the meeting at this time.

AMERICA'S WATER INFRASTRUCTURE ACT - RISK AND RESILIENCE ASSESSMENTS AND EMERGENCY RESPONSE PLANS

Mr. Cranner reported the receipt of correspondence from the U.S. Environmental Protection Agency Water Infrastructure and Cyber Resilience Division, America's Water Infrastructure Act (the "AWIA") Desk, advising the District that it must prepare or revise Risk and Resilience Assessments ("RRA") and Emergency Response Plans ("ERP") and certify to the U.S. Environmental Protection Agency (the "EPA") that the RRA and ERP have been completed. He noted that the RRA and ERP must be reviewed, revised where applicable, and re-certified to EPA every five years. He noted that the District's RRA certification statement is due to EPA on or before June 30, 2026, and the District's ERP certification statement is due to the EPA on or before December 31, 2026. Mr. Dautrich reported that TNG is working on the RRA and the ERP.

CONSUMER CONFIDENCE REPORT

Mr. Cranner next requested that the Board consider authorizing TNG to prepare the District's 2024 Consumer Confidence Report ("CCR"), the format of which is dictated by the Texas Commission on Environmental Quality. Mr. Dautrich advised that the CCR could be made available to customers electronically through TNG's website. After discussion on the matter, Director Reyenga moved that TNG be authorized to prepare said CCR for SPH and Board review. Director Meyers seconded said motion, which unanimously carried.

IDENTITY THEFT PREVENTION PROGRAM (THE "PROGRAM")

The Board next considered the annual report regarding the status of the District's Identity Theft Prevention Program (the "Program"). In connection therewith, Mr. Dautrich advised the Board regarding the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District, and the District's business arrangements with other entities. He further advised there have been no instances of identity theft in the past year and that TNG is recommending no changes to the Program. A copy of TNG's annual report is included in **Exhibit F**. After discussion, the Board concurred to make no changes to the Program.

DROUGHT CONTINGENCY PLAN

Mr. Cranner then discussed with the Board the requirements of Title 30, Section 288.30 of the Texas Administrative Code for retail public water suppliers such as the District to review and, if appropriate, revise their Drought Contingency Plan (the "DCP") not later than May 1, 2024, and every five years thereafter. In connection therewith, he advised that Benchmark and TNG have reviewed the District's current DCP and are not recommending any revisions at this time. After discussion, Director Reyenga moved that the District adopt the Resolution Regarding Review of Drought Contingency Plan attached hereto as **Exhibit G**. Director Meyers seconded such motion, which carried unanimously.

WATER CONSERVATION PLAN

Mr. Cranner then discussed with the Board the review of the District's Water Conservation Plan (the "WCP"). In connection therewith, he advised that Benchmark and TNG have reviewed the District's current WCP and are not recommending any revisions to same at this time. After discussion, Director Reyenga moved that the District adopt the Resolution Regarding Review of Water Conservation Plan attached hereto as **Exhibit H**. Director Meyers seconded such motion, which carried unanimously.

ACCURATE METER AND SUPPLY PRESENTATION (continued)

A discussion ensued regarding how to fund the proposed Smart Meter Installation. After discussion, the Board concurred to use operating account funds and then use the Series 2022 surplus funds. Mr. Cranner then reviewed what the District would need to complete prior to funding the proposed project. Mr. Cranner recommended that the District consider making one final reimbursement payment to Urban WYLY prior to spending the remaining surplus funds on other project(s).

After discussion, the Board noted that it was interested in pursuing the matter further and concurred to defer the matter until the May Board meeting.

Mr. Chovanec, Mr. Halbert and Director Werninger exited the meeting during the discussion on how to fund the proposed Smart Meter Project. Mr. Dautrich exited the meeting at this time.

BOOKKEEPER'S REPORT

Ms. Tesalonika presented to and reviewed with the Board the Bookkeeper's Report dated April 8, 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 Ecklund, and unanimously carried, that the Bookkeeper's Report be approved and the checks presented therein be authorized for payment.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Cranner advised that the Board is authorized pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. He noted that the additional penalty to be imposed by this resolution will not apply to delinquent personal property taxes which have incurred an additional penalty pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which was passed and approved by the District on January 8, 2024. After further discussion, it was moved by Director Reyenga, seconded by Director Meyers, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, a copy of which is attached hereto as **Exhibit J**, be adopted by the District, and that Cox be authorized to proceed with the collection of the District's 2023 delinquent real property tax accounts on July 1, 2024, subject to proper notice having been given as provided in said resolution, including the filing of lawsuits as necessary.

REVIEW OF INTEREST INCURRED ON DISTRICT'S SERIES 2022 UNLIMITED TAX BONDS

The Board discussed deferred discussion of the engagement of Arbitrage Compliance Specialists to prepare interim rebate reports, track liabilities and monitor the interest earned on the Series 2022 Bonds prior to the District's 5-year arbitrage reporting deadline at this time. Mr. Cranner noted that the arbitrage funds may be redirected to fund the proposed Smart Meter Project.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Halbert next presented to and reviewed with the Board a Detention and Drainage Facilities Report dated April 8, 2024, a copy of which report is attached hereto as **Exhibit K**. There was no action required by the Board on this matter.

Mr. Halbert then reported that Champions has been locked out of the Satsuma Lakes and is unable to mow the detention area as contracted. He noted that Champions has canceled the April service. Mr. Halbert confirmed that the area is being maintained by another landscaping at

this time. Mr. Cranner advised the Board that he has been in contact with some members of the Satsuma HOA hopes to make contact with the Board President sometime after April 22nd.

COMMUNICATIONS REPORT

Ms. Hartwell next presented to and reviewed with the Board the Communications Report for the month of April 8, 2024, a copy of which is attached hereto as **Exhibit L**.

ENGINEER'S REPORT

Mr. Chovanec's presented to and reviewed with the Board a written Report on Engineering dated April 8, 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 \$3,165.59 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 \$3,165.59. Director Ecklund seconded said motion, which unanimously carried.

In connection with the request of the Board at the November 2023 Board meeting, Mr. Chovanec presented to and reviewed with the Board proposals to inspect: (i) seven (7) cypress trees located around the Lakes of Eldridge North ("LOEN") and the VAL lakes, in the amount of \$28,560; and (ii) the cypress trees located at the two entry lakes at Ginger Ponds Drive in LOEN, in the amount of \$3,760. After discussion, the Board authorized Benchmark to prepare a proposal for a cypress tree survey of the cypress trees around the perimeter the two lakes. Director Preto requested that LOEN be provided prenotice of the survey and work completed on the pond and/or trees. No action was taken on the matter at this time.

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.

The Board discussed sending pizzas to the new Fire Station when it opens. The matter was deferred until the opening of the station was closer.

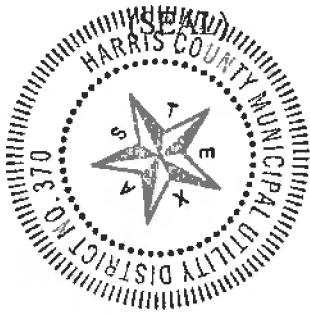
FUTURE AGENDAS

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 Ecklund, and unanimously carried, the meeting was adjourned.


Secretary



LIST OF EXHIBITS

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| Exhibit A | Tax Assessor-Collector Report |
| Exhibit B | Unclaimed Property Report of B&A |
| Exhibit C | Delinquent Tax Report |
| Exhibit D | Operations and Maintenance Report |
| Exhibit E | Beacon AMA Polymer E-Series Meter and the Beacon AMA Bronze E-Series Meter Proposals and the Badger Meter Sales Brochure |
| Exhibit F | Identity Theft Prevention Program Report |
| Exhibit G | Resolution Regarding Review of Drought Contingency Plan |
| Exhibit H | Resolution Regarding Review of Water Conservation Plan |
| Exhibit I | Bookkeeper's Report |
| Exhibit J | Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes |
| Exhibit K | Detention and Drainage Facilities Report |
| Exhibit L | Communications Meeting Report |
| Exhibit M | Engineer's Report |