

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 370
Minutes of Meeting of Board of Directors
January 13, 2025

The Board of Directors of Harris County Municipal Utility District No. 370 met in regular session, open to the public on January 13, 2025, 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, 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"); Wendy Maddox 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 Eric Lai 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 comments were offered.

APPROVAL OF MINUTES

The Board reviewed the minutes of its meeting held on December 9, 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.

AMENDED AND RESTATED TO AGREEMENTS FOR LAW ENFORCEMENT SERVICES BY AND BETWEEN THE DISTRICT AND VILLAGES AT LAKEPOINTE COMMUNITY ASSOCIATION ("VAL") AND LAKES ON ELDRIDGE NORTH COMMUNITY ASSOCIATION ("LOEN")

Mr. Lai informed the Board that the Amended and Restated Agreement for Law Enforcement Services between the District and VAL, and LOEN have been sent to the respective Homeowner Associations for execution.

CONTINUING DISCLOSURE REPORT

Mr. Lai next advised that the Annual Financial Report Pursuant to SEC Rule 15c2-12 (the "Annual Report") has not yet been received from McCall, Parkhurst & Horton LLP the District's continuing disclosure counsel, and recommended the Board defer the Annual Report until the February Board meeting. The Board then deferred consideration of the annual continuing disclosure report required relative to the District's outstanding bonds.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Lai next informed the Board that, pursuant to provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to annually submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in the Special Purpose District Public Information Database, no later than April 1 of each year. Mr. Lai recommended that Forvis Mazars, LLP ("Forvis Mazars"), the District's auditor, be authorized to prepare and submit the required information. Following discussion, it was moved by Director Myers, seconded by Director Reyenga, and unanimously carried, that Forvis Mazars be authorized to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database no later than April 1, 2025.

TAX ASSESSOR-COLLECTOR'S REPORTS

Ms. Maddox then presented to and reviewed with the Board the Tax Assessor-Collector Report for the period ending December 31, 2024, a copy of which is attached hereto as **Exhibit A**, including the disbursements presented for payment, as listed therein. Ms. Maddox next presented to and reviewed with the Board a delinquent tax list (the "List") is attached to the Tax Assessor-Collector Report. Following discussion, it was duly moved by Director Reyenga, seconded by Director Cobb, and unanimously carried, that the Tax Assessor-Collector Report be approved, and the disbursements identified therein be authorized for payment.

DELINQUENT TAX REPORT

Mr. Lai presented to and reviewed with the Board the Delinquent Tax Report dated January 7, 2025, 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.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board next considered granting exemptions from taxation for the 2025 tax year. Mr. Lai outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the market value of residential homestead improvements for the year 2025, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the tax

year 2025, and, if any such exemptions are granted, they must be for not less than \$3,000 of the market value of such homesteads. After further discussion of the matter, Director Reyenga moved that: (i) the District not grant a general residential homestead exemption; (ii) the District grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$10,000 from ad valorem taxes levied by the District during the tax year 2025; and (iii) the Resolution attached hereto as **Exhibit C** relative to same be approved and adopted by the Board and District. Director Myers seconded said motion, which carried unanimously.

ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

Mr. Lai advised the Board it is authorized pursuant to Section 33.11 of the Tax Code to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property that become delinquent after February 1 of a year and that remain delinquent sixty (60) days after said date, to defray the costs of collection of said delinquent taxes. The Board then considered the adoption of a resolution authorizing such additional penalty. After discussion, it was moved by Director Reyenga, seconded by Director Ecklund, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, attached hereto as **Exhibit D**, be adopted.

OPERATIONS AND MAINTENANCE REPORT

Mr. Dautrich presented to and reviewed with the Board the Operations and Maintenance Report dated January 13, 2025, a copy of which is attached hereto as **Exhibit E**.

Mr. Dautrich next reported the installation of all residential smart meters has been completed and noted that the commercial installations are almost done. He noted that approximately two percent (2%) of the residents have registered on the "Eye on Water" application.

Director Reyenga then queried Mr. Dautrich as to when the fire hydrants are scheduled to be painted. Mr. Dautrich reported that the fire hydrants are scheduled to be painted in 2026 and noted that TNG will inspect the fire hydrants now to identify the hydrants that need maintenance.

Mr. Dautrich next reported on the status of the preparation of the Districts' GIS map.

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

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Ms. Tesalonika presented to and reviewed with the Board the Bookkeeper's Report dated January 13, 2025, a copy of which is attached hereto as **Exhibit F**, including the disbursements presented for payment. Ms. Tesalonika additionally presented the Quarterly Investment Inventory Report for the period ended November 30, 2024, a copy of which is attached to the Bookkeeper's Report. After discussion, it was moved by Director Myers, seconded by Director Reyenga, and unanimously carried, that the Bookkeeper's Report be approved and the checks presented therein, be authorized for payment.

ADOPTION OF OPERATING BUDGET

Mr. Lai suggested the Board defer consideration to amend the District's fiscal year 2025 Operating Budget until the amended Law Enforcement Services Agreements with the VAL and LOEN have been executed by VAL and LOEN.

DETENTION AND DRAINAGE FACILITIES REPORT

Mr. Miskimins presented to and reviewed with the Board a Detention and Drainage Facilities Report, dated as of January 13, 2025, a copy of the report is attached hereto as **Exhibit G**. It was noted, that the report reflects an incorrect date on the cover.

Mr. Miskimins next reported that the three (3) outfalls located at 5606 Ballina Canyon Lane are in need of repair, and advised that Champions will present proposals for those repairs at the February Board meeting.

COMMUNICATIONS REPORT

Ms. Russell presented to and reviewed with the Board the Communications Report dated January 13, 2025, a copy of which is attached hereto as **Exhibit H**.

Ms. Tesalonika exited and re-entered the meeting during the discussion of the Communications Report.

BEST TRASH, LLC STATUS REPORT

Mr. Lai reported the receipt of a letter from District resident Victor Elgohary regarding his complaints with Best Trash regarding its solid waste and recycling collection services, a copy of such correspondence is attached hereto as **Exhibit I**. Mr. Lai noted that Best Trash is handling Mr. Elgohary's concerns directly.

Mr. Miskimins exited the meeting at this time.

ENGINEER'S REPORT

Mr. Chovanec presented to and reviewed with the Board a written Engineering Report dated January 13, 2025, a copy of which is attached hereto as **Exhibit J** 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 \$2,791.59 for storm quality maintenance work completed, copies of the pay requests are attached to the Engineer's Report.

Mr. Chovanec then reported that he and Mr. Miskimins conducted a site inspection of the condition of the CMP pipe outfalls from the main LOEN lake into Turkey Creek, and have determined that the CMP pipe outfalls need to be repaired. Mr. Chovanec noted that a proposal will be presented at the February Board meeting for said repairs.

Mr. Chovanec next 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 hopes to present the final map at the February Board meeting.

After discussion, Director Reyenga moved to approve the pay requests from Champions totaling \$2,791.59. Director Cobb 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.

SOLICITATION OF PROPOSALS FOR RENEWAL OF DISTRICT INSURANCE COVERAGES

The Board considered authorizing the solicitation of proposals for renewal of the District's insurance coverages. Mr. Lai reported that the District's current insurance coverages expire on March 31, 2025, and that the District's current policies were acquired through Arthur J. Gallagher & Co. ("AJG"). Following discussion, it was duly moved by Director Cobb, seconded by Director Myers, and unanimously carried, that SPH be authorized to request a renewal proposal for the District's insurance coverages from AJG for the policy term commencing April 1, 2025, for the Board's consideration at its next meeting.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Lai recommended the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology (the "Technology Policy"). He advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Lai noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Lai further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Reyenga moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the Technology Policy. Director Cobb seconded said motion, which unanimously carried." A copy of the Technology Policy is attached hereto as **Exhibit K**.

Mr. Lai requested the ratification of the Boards acknowledge of receipt of Masterson Advisors LLC's MSRB Rule G-10 Annual Disclosure. Following discussion, it was moved by Director Reyenga, seconded by Director Myers and unanimously carried to ratify and approve in all respects the ratification of the Boards acknowledgement of receipt of Masterson Advisors LLC's MSRB Rule G-10 Annual Disclosure.

FUTURE AGENDAS

The Board next considered items for placement on future agendas. No specific agenda items, other than routine and ongoing matters, were requested.

ADJOURNMENT

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



M.C. [Signature]
Secretary

LIST OF EXHIBITS

- Exhibit A Tax Assessor-Collector Reports
- Exhibit B Delinquent Tax Report
- Exhibit C Resolution Concerning Exemptions from Taxation
- Exhibit D Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit E Operations and Maintenance Report
- Exhibit F Bookkeeper's Report
- Exhibit G Detention and Drainage Facilities Report
- Exhibit H Communications Meeting Report
- Exhibit I Resident Letter re: Best Trash, LLC
- Exhibit J Engineer's Report
- Exhibit K Order Establishing Policy for Covered Applications and Prohibited Technology