

## **HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 371**

### **Minutes of Meeting of Board of Directors May 20, 2025**

The meeting of the Board of Directors ("Board") of Harris County Municipal Utility District No. 371 ("District") met at El Charro, 26281 Northwest Freeway, Cypress, Texas 77429 in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Brad Davidsen, Vice President  
Chris Von Wiesenthal, Assistant Vice President  
Trisha Bonar, Secretary  
Joseph Deluke, Assistant Secretary

and the following absent:

Stephen Jester, President

Also present were Ms. Demitra Berry, bookkeeper for the District; Ms. Shammarie Leon, tax assessor-collector for the District; Mr. Chris Townsend, operator for the District; Mr. Hussain Iftikhar, engineer for the District; Deputy Osbey of the Harris County Sheriff's Office; and Mr. Austin T. Reed of Smith, Murdaugh, Little & Bonham, L.L.P.

The President opened the meeting for such business as might come before it.

1. The Board opened the floor for public comment. There was no public comment.

2. The Board reviewed the minutes of the meeting held on April 15, 2025. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

3. Ms. Berry presented the bookkeeper's report. The Board reviewed the report in detail. Ms. Berry noted payments made by Aqua Texas, bringing its account with the joint water plant current. After review, upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report as presented and authorized payment of invoices as reflected therein.

4. Ms. Leon presented the tax assessor-collector's report. 2024 taxes are 98.804% collected. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks drawn on the tax fund.

5. The Board recognized Mr. Townsend who presented the operator's report, including delinquent accounts for service termination. Water accountability was 94%. Mr. Townsend noted that the sewer treatment plant has been operating in good condition and that the facility's power was monitored by the operator during recent work performed by CenterPoint. Further, a leaking corroded reducer on a booster pump at the water treatment plant was replaced.

Mr. Townsend then presented the District's consumer confidence report for the 2024 calendar year for the Board's review and approval. Thereafter, Mr. Townsend addressed the Board regarding water quality monitoring and the anticipated regulation of previously unregulated contaminants by the Environmental Protection Agency, the compliance date for which remains to be determined by the agency. The Board then discussed the currently unregulated contaminants and treatment options should they be found in the District's water supply. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the operator's report as presented, the consumer confidence report, and service terminations for delinquent accounts in accordance with the District's rate order.

6. Mr. Iftikhar then presented the engineer's report. The engineer noted that the District's wastewater treatment plant permit has been renewed, that the Prologis site work monitoring is ongoing, and that the water plant PLC replacement is to be included in the District's budget for the coming fiscal year. Thereafter, Mr. Iftikhar presented a bid for the joint water plant disinfection system project in the amount of \$390,000. Mr. Iftikhar noted that the project was publicly advertised and that the relevant documents were accessed by various contractors, but that only the one bid was received, potentially due to the size of the project. The Board then discussed whether to award the contract to the sole bidder, W. W. Payton, or to readvertise the contract, considering both the project timeline and the likelihood of receiving additional bids. After discussion, Mr. Iftikhar noted that he and his firm have had positive working experiences with W. W. Payton and that the bid price is substantially similar to the engineer's estimated project cost. Mr. Iftikhar then recommended award of the contract to W. W. Payton. After discussion, upon motion duly made, seconded and unanimously carried, the Board awarded the contract for the joint water plant disinfection system to W.W. Payton in accordance with the recommendation of the District's engineer. Thereafter, upon motion duly made, seconded and unanimously carried, the Board approved the engineer's report.

7. Deputy Osbey provided a security report regarding law enforcement activity in the District, including as to statistics and notable incidents, including the apprehending of a burglar. The Board then discussed chemical safety and signage relating to District facilities.

8. Mr. Reed addressed the Board regarding a proposal for cyber liability insurance, noting a recent incident in Fort Bend County in which a utility district incurred substantial loss due to a cybersecurity compromise. Mr. Reed noted that the proposal was requested due to the recent prevalence of such cybersecurity incidents increases. The Board then discussed the policy, including as to premium amounts and coverage limits. Ms. Berry then provided additional details regarding the nature of the Fort Bend County utility district incident and reviewed her office's security procedures governing the safe handling of District funds. After discussion, the Board tabled the matter.

9. Mr. Reed noted that the annual director conflicts disclosure questionnaires were provided, completed, and returned, and that there were no conflicts.

10. Mr. Reed then addressed the Board regarding the District's annual arbitrage maintenance report, noting that the Internal Revenue Service requires the filing of certain arbitrage rebate reports calculating any potential liabilities due and accounting for the payment of any such rebate. Mr. Reed noted that compliance with these regulations is necessary to preserve the tax-

exempt status of the bonds and to comply with the District's bond covenants. Mr. Reed then presented a proposal from Arbitrage Compliance Specialists for the preparation of each of an interim calculation and a 5<sup>th</sup> year arbitrage rebate report for the District's Series 2016 unlimited tax refunding bonds and the District's Series 2020 unlimited tax refunding bonds, respectively, for the Board's approval. Upon motion duly made, seconded and unanimously carried, the Board approved the proposal.

There being no further business to come before the Board, the meeting was adjourned.

A handwritten signature in cursive script, appearing to read "Linda Bonar", written over a horizontal line.

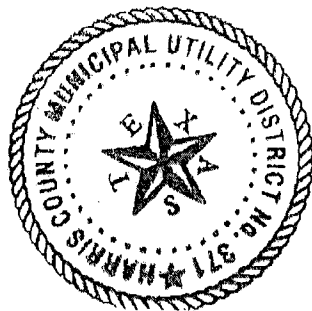
Secretary

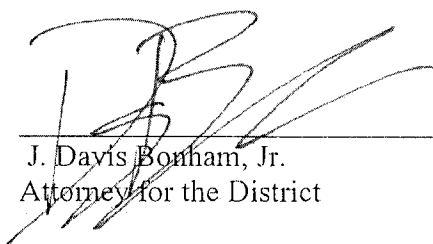
**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 371**  
**NOTICE OF PUBLIC MEETING**

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **El Charro, 26281 NW Fwy, Suite 950, Cypress Tx 77429.**

The meeting will be held at **6:30 p.m. on Tuesday, May 20, 2025.**

1. Public comments
2. Approve minutes of Board meetings held on April 15, 2025
3. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds; Deposit of District Funds
4. Tax Assessor-Collector's report; status of tax collections; review invoices and authorize payment; status of delinquent taxes; authorize litigation as necessary; consider any taxpayer appeals; approve installment payment agreements, as necessary; Depository Pledge Agreement
5. Operator's report; review active connections and water accountability; status of operation, maintenance and repair of District facilities; consider customer appeals and accounting issues; approve termination of service on delinquent accounts; Hazardous Operations Review; West Harris County Regional Water Authority; Consumer Confidence Report
6. Engineer's report; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders
7. Security report; Law Enforcement report; Security Camera System
8. Cyber Liability Insurance
9. Annual Director Conflicts Disclosure Questionnaires
10. Arbitrage annual maintenance report
11. Pending business



  
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J. Davis Bonham, Jr.  
Attorney for the District