

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 371

Minutes of Meeting of Board of Directors July 21, 2026

The meeting of the Board of Directors ("Board") of Harris County Municipal Utility District No. 371 ("District") met at Saltgrass Steakhouse, 23952 Northwest Freeway, Cypress, Texas 77429 in accordance with the duly posted notice of said meeting, with a quorum of directors present, as follows:

Stephen Jester, President
Chris Von Wiesenthal, Assistant Vice President
Trisha Bonar, Secretary
Joseph Deluke, Assistant Secretary

and the following absent:

Brad Davidsen, Vice President

Also present were Ms. Demitra Berry, bookkeeper for the District; Ms. Shammari Leon, tax assessor-collector for the District; Mr. Taylor Wintersteen, operator for the District; Mr. Sergio Handal, engineer for the District; Deputy Osbey of the Harris County Sheriff's Office; and Ms. Jordan D. Barley, attorney for the District.

The President called the meeting to order and declared it open for such business as might properly 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 June 16, 2026. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes of the meeting held on June 16, 2026 minutes as amended.

3. Ms. Berry presented the bookkeeper's report. The Board reviewed the report in detail. After review, upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report as presented, authorized payment of invoices as reflected therein.

4. Ms. Berry reviewed the draft budget with the Board, which the Board then discussed. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the budget for the fiscal year ending August 31, 2027 as presented and the Resolution therefore.

5. Ms. Berry then reviewed the draft operating budget for the joint water plant. Upon motion duly made, seconded and unanimously carried, the Board approved the operating budget for the joint water plant as presented and the Resolution therefore.

6. Ms. Leon presented the tax assessor-collector's report. 2025 taxes are 99.2% collected. After review, 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.

7. The Board recognized Mr. Wintersteen who presented the operator's report, including delinquent accounts for service termination and three (3) accounts for write-off. Water accountability was 104% and recent repairs and maintenance items were reviewed. Mr. Wintersteen next advised the Board that there were no excursions this month. Director Von Wiesenthal then inquired if the operator was prepared for the potential storm over the weekend; Mr. Wintersteen responded and indicated yes, processes are in place to address any potential issues, and noted he would also discuss the District-specific procedures with Mr. Townsend ahead of the weekend so he can ensure he is fully briefed on any appropriate District-specific actions that may need to occur. After discussion, upon motion duly made, seconded and unanimously carried, the Board approved the operator's report as presented and the action items therein, including termination of delinquent accounts and write-offs in accordance with the District's Rate Order.

8. Deputy Osbey presented a security report regarding law enforcement activity in the District, including as to recent incident and law enforcement statistics.

9. The Board next recognized Sergio Handal who presented the engineer's report. Mr. Handal and Director Von Wiesenthal discussed the status of the security camera electrical repairs, noting that site 1 is repaired and should be operational within the week, as NTS was able to secure power. Today's Integration is able to manage the rest and is anticipated to begin repairs during the week of July 20, 2026. Director Von Wiesenthal noted that if the amount is over \$10,000, to please notify the Board and address the same at the August meeting, as that is the amount approved for such repairs. Mr. Handal next noted the contractor repaired the damaged HOA waterline, at their cost.

With respect to the second Cla-Val replacement, Mr. Handal noted the installation is scheduled for July 28, 2026. Additionally, Odyssey received the trail system swale survey from Pape Dawson.

Lastly, the Board discussed the sanitary and stormwater inspection reports circulated ahead of the meeting by Mr. Handal. Director Von Wiesenthal identified concerns with the coating used as well as the use of a third party to conduct the inspection and subsequently identify issues, noting a third party should not be required to identify such issues and the issues should instead be recognized by the operator and the engineer. The Board discussed concerns over risk exposure due to lack of repair. It was further noted the longevity of the system should be considered when doing the sanitary sewer rehabilitation. Mr. Handal and Mr. Wintersteen noted their agreement and indicated they would discuss the same with their teams. Mr. Handal also noted the coating failures and repairs should not wait the 12 months as noted by the inspection, but should

instead occur sooner rather than later; at the request of the Board, he indicated he will bring an estimate to redo the repairs to the August meeting. After discussion, upon motion duly made, seconded, and unanimously carried, the Board approved the engineer's report as presented.

10. There was no pending business discussed.

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

A handwritten signature in cursive script, appearing to read "Mishel Bonar", written in dark ink.

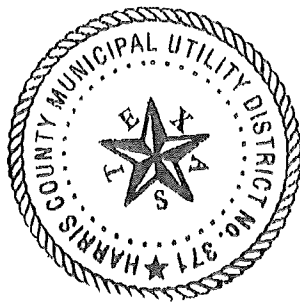
Secretary

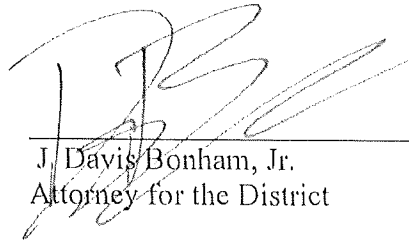
**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 371
NOTICE OF PUBLIC MEETING**

Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting **Saltgrass Steakhouse, 23952 Northwest Freeway, Houston, Texas 77429.**

The meeting will be held at **6:30 p.m. on Tuesday, July 21, 2026.**

1. Public comments
2. Approve minutes of Board meeting held on June 16, 2026
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. Resolution Adopting Operating Budget
5. Resolution Adopting Operating Budget for Joint Water Plant
6. 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
7. 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
8. Security report; Law Enforcement report; Security Camera System
9. Engineer's report; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders
10. Pending business





J. Davis Bonham, Jr.
Attorney for the District

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 371

Compliance with Texas Government Code Section 551.043

Pursuant to Texas Government Code § 551.043(c), a physical copy of the proposed budget has been attached to this Notice of Public Meeting.

Taxpayer Impact Statement

Below is a comparison of a property tax bill for a median-valued¹ homestead property in the District for the current fiscal year to an estimate of a property tax bill for the same property for the upcoming fiscal year if the proposed budget is adopted.

Description	Tax Bill (\$)
Property tax bill for a median-valued homestead property in District for current fiscal year	\$3,578.59
Estimated property tax bill for the same median-valued homestead property in District for upcoming fiscal year if proposed budget is adopted	\$3,578.59

Taxing units such as the District adopt their tax rates under the authority of Chapter 49, Texas Water Code and are not governed by the no-new-revenue tax rate calculations set forth in Chapter 26, Texas Tax Code. Therefore, this Taxpayer Impact Statement does not provide a comparison of property tax bills for the current fiscal year to a balanced budget funded at the no-new-revenue tax rate as calculated under Chapter 26, Texas Tax Code.

¹ While Texas Government Code § 551.043 uses the term "median-valued," such term does not appear in the sections of Texas Tax Code Chapter 26 that are applicable to taxing units such as the District. Laws applicable to the District require its tax assessor-collector to calculate the tax rate using the "average taxable value" of homestead properties. (*Texas Water Code, Sections 49.23601, 49.23602(d) and 49.23603*) Therefore this Taxpayer Impact Statement calculates the property tax bill using such "average taxable value."

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 371

OPERATING BUDGET 9/01/26 to 8/31/27

Draft # 1

	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	TOTAL
Revenue													
4100 Water Revenue	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	348,000
4120 Reconnection Fees	175	175	175	175	175	175	175	175	175	175	175	175	2,100
4200 Sewer Revenue	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	330,000
4319 Grease Trap Insp Fees	840	840	840	840	840	840	840	840	840	840	840	840	10,080
4320 Maintenance Tax Revenue [1]	1,800	3,000	9,000	65,000	442,000	1,230,000	23,000	20,000	3,600	6,300	3,500	4,084	1,811,290
4330 Penalty Revenue	620	620	620	620	620	620	620	620	620	620	620	620	7,440
4350 Transfer Fees	190	190	190	190	190	190	190	190	190	-	-	-	1,710
5328 Pumpage Fees.	49,700	49,700	49,700	49,700	49,700	49,700	49,700	49,700	49,700	49,700	49,700	49,700	596,400
5391 Interests	22,700	22,700	22,700	22,700	22,700	22,700	22,700	22,700	22,700	22,700	22,700	22,700	272,400
5399 Miscellaneous Revenue	900	900	900	900	900	900	900	900	900	900	900	900	10,800
5450 SPA Revenue	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400
Total Revenue	135,125	136,325	142,326	198,326	575,331	1,363,325	156,325	153,325	136,325	139,435	136,535	137,219	3,410,520
Expenses													
6200 Payroll Administration	450	450	450	450	450	450	450	450	450	450	450	450	5,400
6201 Payroll Tax Expense	386	407	386	386	644	370	401	389	404	386	644	401	5,204
6300 Pro-Rata - JWP	75,735	75,735	75,735	75,735	75,735	75,735	75,735	75,735	75,735	75,735	75,735	75,735	908,820
6310 Director Fees	1,326	1,326	1,326	1,326	4,420	1,326	1,326	1,326	1,326	1,326	4,420	1,326	22,100
6320 Legal Svcs - General	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
6321 Auditing Fees	-	-	18,000	-	1,000	-	-	-	-	-	-	-	19,000
6322 Engineering Fees	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,167	4,166	4,166	4,166	4,166	50,000
6323 Operations & Billing	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	114,000
6324 Lab Expenses	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
6326 Permit Fees	-	1,451	2,105	-	884	-	-	-	-	-	-	-	4,440
6333 Bookkeeping	2,950	2,736	2,902	3,473	2,712	4,138	2,665	3,140	2,855	3,924	2,879	3,000	37,374
6335 Maintenance & Repairs [2]	30,500	30,500	30,500	30,500	30,500	30,500	30,500	30,500	30,500	30,500	30,500	30,500	366,000
6336 Sludge Disposal	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	90,000
6338 Legal Notices	250	-	-	-	-	-	250	-	-	-	-	-	500
6339 Delinquent Collection Fees	400	400	400	400	400	400	400	400	400	400	400	400	4,800
6340 Office Expense	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	1,130	13,560
6342 Chemicals	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
6350 Postage	515	515	515	515	515	515	515	515	515	515	515	515	6,180
6351 Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-
6352 Utilities (Inc Street Lights)	8,372	8,093	8,745	9,104	8,598	8,334	8,589	8,622	8,552	9,769	10,298	9,267	106,344
6353 Insurance	-	-	17,714	-	-	-	-	-	-	-	-	-	17,714