

MINUTES OF MEETING OF  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,  
OF HARRIS COUNTY, TEXAS  
February 24, 2022

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 70, of Harris County, Texas (the "District") met in regular session on February 24, 2022, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Stephanie Peters	President
Ron Sanches	Vice President
Rudolph Lange	Secretary
Rachel Knight	Assistant Secretary
Ronald Garcia	Assistant Secretary

All of said persons were present, except Director Knight, thus constituting a quorum.

Also present at the meeting were Rachel Broom and Amber Hurd of Cobb Fendley & Associates, Inc. ("CobbFendley"); Darrell Hawthorne of Municipal Accounts & Consulting, L.P. ("MA&C"); Lonnie Wright of Municipal Operations & Consulting, Inc. ("MOC"); Brenda McLaughlin of Bob Leared Interests ("Bob Leared"); Dennis Eby of Eby Engineers, Inc. ("Eby Engineers"), engineer for Harris County Municipal Utility District No. 144; and Spencer Creed of Schwartz, Page & Harding, L.L.P. ("SPH").

The meeting was called to order and declared open for such business as might regularly come before it.

**JOINT SEWAGE TREATMENT PLANT COMMITTEE MEETING**

**ENGINEERING REPORT**

Ms. Broom presented to and reviewed with the committee members a written Engineering Report for the Joint Sewage Treatment Plant Committee Meeting, a copy of which report is attached hereto as **Exhibit A**, and discussed same with the Board.

In connection with the modifications to the District's Order Regulating the Introduction of Wastewater into the Sanitary Sewer System of the District ("Waste Order"), Ms. Broom noted that CobbFendley had circulated a final draft of same to all parties for review and advised the Board that Harris County Municipal Utility District No. 144 ("144") and Harris County Municipal Utility District No. 264 ("264") have indicated they have no objections to said draft. Ms. Brown noted that Mr. Creed had provided comments intended to clarify certain provisions of the Waste Order but which did not change the substance of what was previously distributed, and that she would circulate those comments to the other districts representatives. Following discussion, upon motion by Director Peters, seconded by Director Lange and unanimously carried, the Board adopted the proposed Waste Order subject to the inclusion of the comments

provided by Mr. Creed and the approval of the same by the other districts.

Ms. Broom updated the Board regarding the Mechanical Bar Screen for the District's Wastewater Treatment Plant ("WWTP"), and advised that CobbFendley has solicited bids for same; and recommends that the contract for such project be awarded to STP Services ("STP") in the amount of \$74,900, a copy of which recommendation is included with **Exhibit A**. Following discussion, upon motion made by Director Peters, seconded by Director Lange, and unanimously carried, the Board approved the award of the contract for said project to STP in the amount of \$74,900.

### **OPERATIONS REPORT**

Mr. Wright presented to and reviewed with the committee members the Wastewater Treatment Plant Operations Report for the month of January 2022, a copy of which report is attached hereto as **Exhibit B**, and discussed same with the Board.

Mr. Wright then presented to and reviewed with the Board a proposal from Neil Technical Services ("NTS"), to replace the Mag Ox Mixer Gearbox and replace the motor at a total cost of \$4,028, a copy of which is included with the Operations Report. After discussion, Director Peters moved that the proposal from NTS to replace the Mag Ox Mixer Gearbox and motor be approved, as discussed. Director Sanches seconded said motion, which unanimously carried.

Mr. Wright next presented to and reviewed with the Board a Thermographic Study of the joint plant equipment, a copy of which study is attached hereto as **Exhibit C**. He noted that all minor repairs identified have been made.

### **BOOKKEEPER'S REPORT**

Mr. Hawthorne presented to and reviewed with the Board the Joint Sewage Treatment Plant Bookkeeper's Report dated February 24, 2022, a copy of which report is attached hereto as **Exhibit D**, including the disbursements presented for payment. After discussion, it was moved by Director Peters that the Bookkeeper's Report be approved and that the disbursements identified in the report be authorized for payment. Director Sanches seconded said motion, which unanimously carried.

### **JOINT SEWAGE TREATMENT PLANT ATTORNEY REPORT**

The Board next considered the attorney's report. In connection therewith, Mr. Creed discussed proposed minor amendments to the Waste Disposal Agreement among the participant districts as a result of the amended Waste Order. After discussion, he noted that an agenda item will be added to next month's agenda to consider same and that a proposed form of the amendment will be circulated for review by the parties.

Mr. Eby exited the meeting at this time.

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### **DISTRICT MEETING**

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

### **COMMENTS FROM THE PUBLIC**

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

### **APPROVE MINUTES**

The Board considered approving the minutes of the District's January 27, 2022 Board meeting. After discussion, Director Sanches moved that the January 27, 2022 Board meeting minutes be approved, as written. Director Lange seconded said motion, which unanimously carried.

### **HARRIS COUNTY SHERIFF'S OFFICE SECURITY ACTIVITY REPORT**

Mr. Creed presented the Harris County Sheriff's Office security activity report for January 2022, a copy of which report is attached hereto as **Exhibit E**, and discussed same with the Board.

Mr. Creed then presented to and reviewed with the Board the Deputy Cost Sharing Breakdown with Langham Creek Utility District, which was previously prepared by Jones & Carter, Inc., a copy of which is attached hereto as **Exhibit F**. After discussion, Director Peters moved to approve said Deputy Cost Sharing Breakdown. Director Sanches seconded said motion, which carried unanimously.

### **BOOKKEEPER'S REPORT**

Mr. Hawthorne presented to and reviewed with the Board the Bookkeeper's Report dated February 24, 2022, a copy of which report is attached hereto as **Exhibit G**, including the disbursements listed therein. After discussion, it was moved by Director Sanches that the report be approved and that the disbursements identified in the report be authorized for payment, except check no. 14134, which was voided. Director Lange seconded said motion, which unanimously carried.

Mr. Hawthorne presented to and reviewed with the Board a Quarterly Investment Inventory Report, which had been prepared by MA&C for the reporting period ending December 31, 2021, a copy of which is attached to the Bookkeeper's Report. After review of the Quarterly Investment Inventory Report and upon motion duly made by Director Sanches, seconded by Director Lange and unanimously carried, said Quarterly Investment Inventory Report was

approved and the District's Investment Officer was authorized to execute same on behalf of the Board and the District.

### **TAX ASSESSOR/COLLECTOR'S REPORT**

Ms. McLaughlin presented and reviewed the Tax Assessor/Collector's Report for January 2022, including the disbursements presented for payment as listed therein, a copy of which report is attached hereto as **Exhibit H**. After discussion on the matter, it was moved by Director Lange that said report be approved and that the disbursements identified therein be approved for payment, as discussed. Director Peters seconded said motion, which unanimously carried.

### **CONSIDER ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2022 TAX YEAR**

Mr. Creed reminded the Board of the procedures applicable to the adoption of the District's tax rate will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Creed then reviewed with the Board a worksheet completed by CobbFendley to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2022 Tax Year. A copy of the Resolution is attached hereto as **Exhibit I**. Following discussion, upon motion made by Director Lange, seconded by Director Sanches, and unanimously carried, the attached Resolution was adopted by the Board memorializing that the District shall be considered a Developed District for all purposes.

### **DELINQUENT TAX COLLECTIONS ATTORNEY'S REPORT**

Mr. Creed advised the Board that the District did not receive a Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, LLP, the District's delinquent tax collections attorneys, for the month of January.

### **OPERATIONS REPORT**

Mr. Wright presented to and reviewed the Operations Report for the month of January 2022, a copy of which report is attached hereto as **Exhibit J**, and discussed same with the Board.

Mr. Wright then requested that the Board consider authorizing MOC to move three (3) delinquent accounts to the uncollectible roll in the combined amount of \$192.39, since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Sanches moved that MOC be authorized to move three (3) delinquent accounts to the uncollectible roll in the amount of \$192.39, as more fully set forth in the attached Operations and Maintenance Report, and as recommended by the District's Operator. Director Lange seconded said motion, which unanimously carried.

Director Peters then requested that MOC provide an example copy of the District's water bill at next month's meeting for review. Mr. Wright noted MOC would do so.

Mr. Wright next presented correspondence from K-3BMI regarding a rate increase for sludge hauling from \$0.035/gallon to \$0.055/gallon, as discussed last month, a copy of which is attached hereto as **Exhibit K**. Mr. Creed reviewed with the Board the relevant provisions of the District's Sludge Management Agreement with K-3BMI. After discussion on the matter, the Board concurred to accept the rate increase and authorize MOC to continue utilizing said sludge hauling company, as recommended.

### **ENGINEERING REPORT**

Ms. Broom presented to and reviewed with the Board a written Engineering Report for the District, a copy of which report is attached hereto as **Exhibit L**, and discussed same with the Board.

Ms. Broom provided the Board with an update concerning the Water Plant No. 1 Ground Storage Tank ("GST") No. 1 Improvements, as more fully set forth in the attached Engineering Report. In connection therewith, she presented to and reviewed with the Board Pay Estimate No. 2 from A&H Coating Services, LLC ("A&H") in the amount of \$29,497.50 and recommended approval of same. After discussion on the matter, Director Lange moved that Pay Estimate No. 2 in the amount of \$29,497.50 to A&H be approved for payment. Director Peters seconded said motion, which unanimously carried.

Mr. Broom next discussed with the Board Water Plant No. 1 GST No. 2 rehabilitation, and advised that the estimate to complete same is \$96,000. She inquired if the Board is interested in proceeding with the rehabilitation for GST No. 2 at this time. The Board requested to obtain bids for GST No. 2 rehabilitation during the District's fiscal year 2022, and for the project to be completed in fiscal year 2023. After further discussion on the matter, Director Lange moved to approve CobbFendley's proposal for design of the GST No. 2 rehabilitation and to proceed with same, as discussed. Director Peters seconded said motion, which unanimously carried.

Ms. Broom reviewed with the Board CobbFendley's recommendations concerning the submission of correspondence to the TCEQ in connection with the District's having reached 85% of its existing water system capacity. Following discussion, upon motion by Director Lange, seconded by Director Peters and unanimously carried, CobbFendley was authorized to send the referenced correspondence to the TCEQ.

### **ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS**

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Creed reported that SPH is recommending that the District adopt the wage rate scales as determined by the United States Department of Labor ("DOL"), in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a *et seq.*). After discussion on the matter, Director Garcia moved that the DOL wage rate scales be adopted as the District's prevailing wage rate scale for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for

Construction Projects, a copy of which Resolution is attached hereto as **Exhibit M**, be adopted by the Board. Director Sanches seconded said motion, which unanimously carried.

### **UTILITY COMMITMENTS**

The Board deferred consideration of the issuance of utility commitments after noting that no formal requests for same had been received during the previous month.

### **STATUS REPORT FROM GFL ENVIRONMENTAL REGARDING GARBAGE COMPLAINTS**

Mr. Creed presented to and reviewed with the Board GFL Environmental's ("GFL") report for the month of January 2022, a copy of which report is attached hereto as **Exhibit N**.

### **DISCUSSION REGARDING DISTRICT RATE ORDER**

The Board deferred any amendments related to the District's Rate Order at this time.

### **ATTENDANCE AT WEST HARRIS COUNTY REGIONAL WATER AUTHORITY MEETINGS**

The Board considered designating District representatives to attend the West Harris County Regional Water Authority ("WHCRWA") meetings. After discussion, the Board concurred that the Directors will rotate attendance at said meetings, with Director Lange attending WHCRWA's March meeting and Director Garcia attending WHCRWA's April meeting. Upon motion by Director Peters, seconded by Director Sanches and unanimously carried, it was moved that Directors will rotate attendance at the WHCRWA's monthly meetings as they are available to do so, with no more than 1 Director attending per meeting.

### **EXECUTIVE SESSION**

The Board determined it would not be necessary to enter into Closed Session pursuant to Texas Government Code Sections 551.071 and 551.076.

### **ATTORNEY'S REPORT**

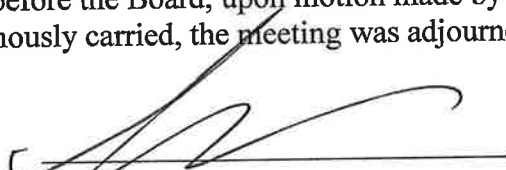
The Board considered the Attorney's Report. Mr. Creed advised the Board that he had nothing further to discuss with the Board of a legal nature, which was not covered under specific agenda items.

### **FUTURE AGENDA MATTERS**

The Board considered items for placement on future agendas. No specific agenda items, other than routine and ongoing matters and matters noted earlier in the meeting, were requested.

**ADJOURNMENT**

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



Secretary

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## LIST OF EXHIBITS TO MINUTES

- Exhibit A - Engineering Report for Joint Sewage Treatment Plant Committee Meeting
- Exhibit B - Joint Sewage Treatment Plant Operations Report
- Exhibit C - Thermographic Study at Harris County Municipal Utility District No. 70
- Exhibit D - Joint Sewage Treatment Plant Bookkeeper's Report
- Exhibit E - Harris County Sheriff's Office Security Report
- Exhibit F - Deputy Cost Sharing Breakdown with Langham Creek Utility District
- Exhibit G - Bookkeeper's Report
- Exhibit H - Tax Assessor/Collector Report
- Exhibit I - Resolution Concerning Developed District Status for the 2022 Tax Year
- Exhibit J - Operations Report
- Exhibit K - Correspondence from K-3BMI
- Exhibit L - Engineering Report
- Exhibit M - Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit N - GFL Environmental Report