

MINUTES OF MEETING OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,
OF HARRIS COUNTY, TEXAS
October 28, 2021

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 October 28, 2021, 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
Lillian Wanjagi	Director

all of said persons were present, except Directors Sanches and Wanjagi, thus constituting a quorum.

Also present at the meeting were Amber Hurd and Rachel Broom of Cobb Fendley & Associates, Inc. ("CobbFendley"); Lonnie Wright of Municipal Operations & Consulting, Inc. ("MOC"); Darrell Hawthorne of Municipal Accounts & Consulting, L.P. ("MA&C"); Brenda McLaughlin of Bob Leared Interests ("Bob Leared"); Chuck Brandman of Harris County Municipal Utility District No. 264; Dennis Eby of Eby Engineers, Inc. ("Eby Engineers"); 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.

Ms. Broom then presented and reviewed with the Board a draft Capital Improvement Plan ("CIP") for the District's Joint Wastewater Treatment Plant ("WWTP"), a copy of which is included with **Exhibit A**. She noted additional projects may be added to the CIP, including some painting and a paving project to install a driveway. Ms. Broom then responded to questions regarding same. Mr. Brandman requested that options be provided for phasing such additional projects if the cost is significant.

Ms. Broom next provided the Board with an update concerning the 2020 Wastewater Treatment Plant ("WWTP") Improvements, as more fully set forth in the attached Engineering

Report. In connection therewith, she presented to and reviewed with the Board a Certificate of Substantial Completion from STP Works, LLC, and recommended approval of same. After discussion on the matter, Director Peters moved that Certificate of Substantial Completion for the project be accepted by the Board and executed by the Board President. Director Knight seconded said motion, which unanimously carried.

OPERATIONS REPORT

Mr. Wright presented to and reviewed with the committee members the Wastewater Treatment Plant Operations Report for the month of September 2021, a copy of which report is attached hereto as **Exhibit B**, and discussed same with the Board. No action was required by the Board at this time.

BOOKKEEPER'S REPORT

Mr. Hawthorne presented to and reviewed with the Board the Joint Sewage Treatment Plant Bookkeeper's Report dated October 28, 2021, a copy of which report is attached hereto as **Exhibit C**, including the disbursements presented for payment. After discussion on the matter, 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 Lange seconded said motion, which unanimously carried.

AMENDMENT OF BUDGET FOR FYE SEPTEMBER 30, 2022

The Board considered the amendment of the operating budget for the Joint Sewage Treatment Plant ("STP") for the District's fiscal year ending September 30, 2022. Mr. Hawthorne presented to and reviewed with the Board a proposed amended operating budget, a copy of which is attached to the STP Bookkeeper's Report, and reviewed same with the Board. After discussion, Director Peters moved that the amended operating budget for the STP for the fiscal year ending September 30, 2022, be adopted, as discussed. Director Lange seconded said motion, which unanimously carried.

JOINT SEWAGE TREATMENT PLANT ATTORNEY REPORT

The Board next considered the attorney's report. The Board discussed rescheduling the Board of Directors' November and December Board meetings, due to the upcoming Thanksgiving and Christmas holidays. After discussion, the Board determined to hold its November meeting on November 18, 2021, at 6:30 p.m and its December meeting on December 16, 2021, at 6:30 p.m.

Messrs. Brandman and 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 September 23, 2021 Board meeting. After discussion, Director Knight moved that the September 23, 2021 Board meeting minutes be approved, as written. Director Peters seconded said motion, which unanimously carried.

AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021

The Board deferred consideration of the audit for fiscal year ending September 30, 2021 at this time.

HARRIS COUNTY SHERIFF'S OFFICE SECURITY ACTIVITY REPORT

Mr. Creed presented the Harris County Sheriff's Office ("HCSO") security activity report for September 2021, a copy of which report is attached hereto as **Exhibit D**, and discussed same with the Board.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin presented and reviewed the Tax Assessor/Collector's Report for September 2021, including the disbursements presented for payment as listed therein, a copy of which report is attached hereto as **Exhibit E**. After discussion on the matter, it was moved by Director Peters that said report be approved and that the disbursements identified therein be approved for payment, as discussed. Director Lange seconded said motion, which unanimously carried.

Ms. McLaughlin informed the Board that Mr. Leared, the founder of Bob Leared Interests, had recently passed away.

DELINQUENT TAX COLLECTIONS ATTORNEY'S REPORT

Mr. Creed presented to and reviewed with the Board a Delinquent Tax Report received from Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), the District's delinquent tax collections attorneys, dated October 28, 2021, a copy of which Report is attached hereto as

Exhibit F. Mr. Creed advised that, according to the report, no Board action was necessary at this time.

OPERATIONS REPORT

Mr. Wright presented to and reviewed the Operations Report for the month of September 2021, a copy of which report is attached hereto as **Exhibit G**, and discussed same with the Board.

Mr. Wright then requested that the Board consider authorizing MOC to move five (5) delinquent accounts to the uncollectible roll in the combined amount of \$988.29, since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Peters moved that MOC be authorized to move five (5) delinquent accounts to the uncollectible roll in the amount of \$988.29, as more fully set forth in the attached Operations and Maintenance Report, and as recommended by the District's Operator. Director Knight seconded said motion, which unanimously carried.

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 H**, and discussed same with the Board.

Mr. Broom updated the Board regarding the protective coating and rehabilitation of Water Plant No. 1 Ground Storage Tank ("GST") No. 1, as more fully set forth in the attached Engineering Report. She advised that CobbFendley received thirteen (13) bids for the protective coating and rehabilitation of the GST No. 1, a copy of the bid tabulation being included with **Exhibit H**, and recommended that the contract for such project be awarded to A&H Coating Services, LLC ("A&H"), in the amount of \$97,700. Following discussion, upon motion made by Director Peters, seconded by Director Knight, and unanimously carried, the Board approved the award of the contract for said project to A&H.

Ms. Broom advised the Board that the Electrical Water Well Panel at the remote water well site that services Water Plant No. 1 needs to be replaced. She presented a proposal for professional engineering services in connection with same, a copy of which proposal is included with **Exhibit H**. Ms. Broom advised the Board that the estimated engineering fees are \$17,400. After discussion on the matter, Director Peters moved to approve the proposal for engineering services. Director Knight seconded said motion, which unanimously carried.

A discussion ensued regarding the District's wastewater sampling procedures for commercial customers and the Industrial Waste Order. In connection therewith, Mr. Creed noted that SPH and CobbFendley will review the current Waste Orders of Harris County Municipal Utility District No. 144 ("No. 144") and Harris County Municipal Utility District No. 264 ("No. 264"), as well as the parties' Waste Disposal Agreement, in connection with same. It was noted that recommendations will follow after said review.

Ms. Broom next presented and reviewed with the Board a 10-Year Capital Improvement Plan ("CIP"), a copy of which is included with **Exhibit H**. She noted that said CIP does not include approximately 25,000 linear feet of the sanitary sewer line that will need to be replaced. Following discussion, Director Peters moved to accept the CIP as presented and leave this additional item out of the CIP for now. Director Lange seconded the motion, which unanimously carried.

UTILITY COMMITMENTS

Ms. Broom reported to the Board that the District has received a utility commitment request from Yuvraj Investments, LLC ("the retail development") for sanitary sewer capacity and related water capacity to serve an approximately 2.5060 acre tract located at 18410 FM 529 and 18420 FM 529. In connection therewith, Ms. Broom advised the Board that the retail development is requesting 2,215 gallons per day of water and sanitary sewer capacity. Ms. Broom then advised that the District has sufficient capacity to serve the retail development and that CobbFendley recommends the utility commitment request be approved. After further discussion on the matter, Director Peters moved that the utility commitment request from the retail development be approved by the Board and District and that the President be authorized to execute a utility commitment in accordance with the foregoing, as recommended by the engineer. Director Lange seconded said motion, which unanimously carried.

STATUS REPORT FROM GFL ENVIRONMENTAL REGARDING GARBAGE COMPLAINTS

Mr. Creed presented to and reviewed with the Board GFL Environmental's report for the month of September 2021, a copy of which report is attached hereto as **Exhibit I**.

IMPLEMENTATION OF SENATE BILL NO. 3; AMENDMENT TO DISTRICT RATE ORDER

Mr. Creed presented to and reviewed with the Board a memorandum prepared by SPH regarding the implementation of Senate Bill No. 3 from the 87th Texas Legislative Session ("S.B. 3") in response to Winter Storm Uri, a copy of which memorandum is attached hereto as **Exhibit J**. A discussion next ensued regarding the implementation of S.B. 3. Mr. Creed requested that the Board consider amending the District's Rate Order to incorporate the requirements of S.B. 3 regarding billing practices during extreme weather emergencies.

DISCUSSION REGARDING DISTRICT RATE ORDER

Mr. Creed discussed with the Board potential upcoming amendments to the District's Rate Order, including those to address (i) GFL's most recent annual Consumer Price Index ("CPI") adjustment, (ii) adjustments based on changes to the commercial customer sampling plan, (iii) West Harris County Regional Water Authority's ("WHCRWA") rate adjustment to be effective January 1, 2022, and (iv) the requirements of S.B. 3 regarding billing practices during extreme weather emergencies. After discussion on the matter, Director Peters moved that the District's Rate Order be amended to include (i) an increase in the residential sanitary sewer rate

to incorporate the CPI adjustment by GFL Environmental, resulting in an increase from \$25.76 to \$26.40, to be effective November 1, 2021, (ii) an increase in the WHCRWA fee charged to District customers from \$4.23 per 1,000 gallons to \$4.51 per 1,000 gallons, to become effective as of January 1, 2022, and (iii) incorporating the requirements of S.B. 3 regarding billing practices during extreme weather emergencies, to be effective November 1, 2021, and that any and all rate orders heretofore adopted by the Board be revoked and that the attached Rate Order be passed and adopted. Director Lange seconded said motion, which unanimously carried. The Rate Order, as amended, is attached hereto as **Exhibit K**. The Board deferred any amendments related to the commercial customer sampling plan at this time.

BOOKKEEPER'S REPORT

Mr. Hawthorne presented to and reviewed with the Board the Bookkeeper's Report dated October 28, 2021, a copy of which report is attached hereto as **Exhibit L**, including the disbursements listed therein. After discussion, it was moved by Director Lange that the report be approved and that the disbursements identified in the report be authorized for payment, except check no. 14001, which was voided. Director Peters seconded said motion, which unanimously carried.

Mr. Hawthorne presented to and reviewed with the Board a proposed amended operating budget for the District's fiscal year ending September 30, 2022, a copy of which amended budget is attached to the Bookkeeper's Report, and discussed same with the Board. He noted that such amendment represented a conforming change to match the earlier amendment to the STP operating budget. After discussion, Director Lange moved that the amended budget for the District's fiscal year ending September 30, 2022, be adopted by the Board and District, as presented. Director Peters seconded said motion, which unanimously carried.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265, RELATIVE TO ENERGY REPORTING

The Board considered the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Creed advised the Board that governmental entities, including the District, are required to prepare an annual report on the entities' metered usage of electricity and the aggregate costs for same. Mr. Hawthorne then noted that Acclaim Energy has provided an annual report, a copy of which is attached to the Bookkeeper's Report, summarizing the District's electricity usage and costs. Mr. Creed advised that no further District action was necessary to achieve compliance.

DISPOSITION OF DISTRICT RECORDS

The Board considered a request from the District's Records Management Officer to destroy SPH's handwritten notes and audio recordings of Board meetings from February 21, 2020, to June 24, 2021, a copy of which request is attached hereto as **Exhibit M**. After discussion on the matter, Director Lange moved that the destruction of said notes and audio recordings be authorized as requested in accordance with the provisions of the District's Records Management Program. Director Knight seconded said motion, which unanimously carried.

EXECUTIVE SESSION

The President announced at 8:05pm that the Board would convene in Closed Session pursuant to Texas Government Code Sections 551.071 and 551.076 to review certain materials related to the America’s Water Infrastructure Act of 2018 ("AWIA"). Messrs. Creed and Wright and Ms. Broom and Ms. Hurd joined the Board in Closed Session. The remainder of those present exited the meeting at this time.

The Board reconvened in Open Session at 8:23 p.m. Following discussion, Director Peters moved that MOC (i) be authorized and directed to file the certificate of completion of the District’s Emergency Response Plan (“ERP”) with the Environmental Protection Agency by the application deadline, in compliance with the AWIA, and (ii) obtain quotes regarding certain security measures and proceed with installation of the well vent locks, as discussed. Director Lange seconded the motion, which unanimously carried.

ATTORNEY'S REPORT

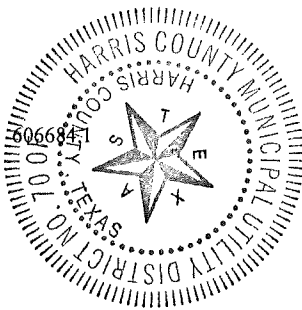
The Board next considered the attorney's report. Mr. Creed advised the Board that he had nothing further to discuss with the Board of a legal nature, which was not covered under specific agenda items.

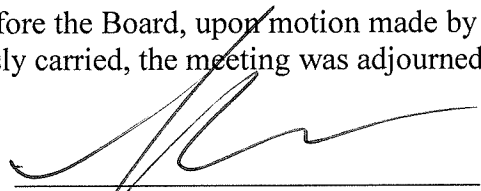
FUTURE AGENDA MATTERS

The Board considered items for placement on future agendas. There were no matters requested for placement on the agenda for the Board's next meeting. The Board discussed their preferences for receiving any consultant reports in advance of the meeting and noted that, for now, they only wished for the engineer’s report to be available to them in advance of the meeting.

ADJOURNMENT

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




Secretary

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 - Joint Sewage Treatment Plant Bookkeeper's Report
- Exhibit D - Harris County Sheriff's Office Report
- Exhibit E - Tax Assessor/Collector Report
- Exhibit F - Delinquent Tax Report
- Exhibit G - Operations Report
- Exhibit H - Engineering Report
- Exhibit I - GFL Environmental Report
- Exhibit J - Memorandum regarding Senate Bill No. 3
- Exhibit K - Rate Order
- Exhibit L - Bookkeeper's Report
- Exhibit M - Records Destruction Request