

MINUTES OF MEETING OF  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,  
OF HARRIS COUNTY, TEXAS  
September 23, 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 September 23, 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
Lillian Wanjagi	Secretary
Rudolph Lange	Assistant Secretary
Rachel Knight	Assistant Secretary

all of said persons were present, except Director Wanjagi, thus constituting a quorum.

Also present at the meeting were Amber Hurd and Rachel Broom of Cobb Fendley & Associates, Inc. ("CobbFendley"); Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"); Darrell Hawthorne and Vanessa Herrera of Municipal Accounts & Consulting, L.P. ("MA&C"); Brenda McLaughlin of Bob Leared Interests ("Bob Leared"); Sherri Greenwood of BKD, LLP ("BKD"), whom entered later as noted herein; 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") and an electrical inspection report for the WWTP, copies of which are included with **Exhibit A**. Ms. Broom then responded to questions regarding same. It was noted that no action was required at this time.

Mr. Eby advised that he has provided comments on the CIP to Ms. Broom and would like to schedule a time to discuss same.

## **OPERATIONS REPORT**

Mr. Arrant presented to and reviewed with the committee members the Wastewater Treatment Plant Operations Report for the month of August 2021, a copy of which report is attached hereto as **Exhibit B**, and discussed same with the Board.

Mr. Arrant next updated the Board regarding the restroom located at the WWTP, and noted that said restroom is now fully functional.

Ms. Greenwood entered during discussion of the Operations Report.

## **BOOKKEEPER'S REPORT**

Mr. Hawthorne presented to and reviewed with the Board the Joint Sewage Treatment Plant Bookkeeper's Report dated September 23, 2021, a copy of which report is attached hereto as **Exhibit C**, including the disbursements presented for payment. A discussion ensued regarding disbursement of the remaining Federal Emergency Management Agency ("FEMA") funds associated with the claim for the generator replacement at the WWTP. Mr. Creed reminded the Board of their decision to revisit the issue this month and recommended that if the funds are disbursed the other participating districts be requested to sign an acknowledgement that they will return their portion of any amounts ultimately reclaimed by FEMA. After discussion on the matter, it was moved by Director Sanches that the Bookkeeper's Report be approved and that the disbursements identified in the report be authorized for payment, with the FEMA disbursements to be held pending receipt of the respective acknowledgements, as discussed. Director Lange seconded said motion, which unanimously carried.

## **ADOPTION OF BUDGET FOR FYE SEPTEMBER 30, 2022**

The Board considered the adoption of an 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 operating budget, a copy of which is attached to the STP Bookkeeper's Report, and reviewed same with the Board. Mr. Eby inquired regarding the \$126,300 budget item for Capital Improvement Project Expense. After further discussion, Director Sanches moved that the operating budget for the STP for the fiscal year ending September 30, 2022, be adopted by the Board, subject to future amendment regarding the \$126,300 item if appropriate. Director Lange seconded said motion, which unanimously carried. The Board noted that no additional contributions would be requested from participants based on such item pending the clarification.

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

The Board next considered the attorney's report. Mr. Creed advised that he had nothing of a legal nature to report to the committee members at this time.

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 August 26, 2021 Board meeting. After discussion, Director Knight moved that the August 26, 2021 Board meeting minutes be approved, as written. Director Sanches seconded said motion, which unanimously carried.

### **REORGANIZATION OF THE OFFICERS OF THE BOARD**

The Board considered reorganization of the officers of the Board. The Board considered nominations for the office of Secretary. Director Lange was nominated for that office, and there being no further nominations, they were closed. A vote was called, and upon motion duly made by Director Peters, seconded by Director Knight and unanimously carried, Director Lange was duly elected Secretary of the Board and the District.

The Board considered approving a District Registration Form, as required by the Texas Commission on Environmental Quality (the "TCEQ"). Mr. Creed explained that municipal utility districts are required to report names, mailing addresses, officer positions and the terms of office of new or re-elected directors with the TCEQ within thirty days (30) after an election or appointment. He advised that, with the Board's approval, SPH will complete the District Registration Form to reflect the new terms of office for Director Lange and file same with the TCEQ. After further discussion of the matter, Director Peters moved that the Board authorize SPH to complete the District Registration Form as discussed and file same with the TCEQ. Director Knight seconded said motion, which unanimously carried.

### **ENGAGEMENT OF AUDITOR**

The Board considered the engagement of an auditor to prepare the District's general and STP audit reports for the fiscal year ending September 30, 2021. In connection therewith, Ms. Greenwood presented to and reviewed with the Board a proposal prepared by BKD, a copy of which is attached hereto as **Exhibit D**. She then advised that BKD's fees for said audits are estimated to be \$2,700 for the STP audit, and \$19,300 for the general audit, plus an administrative fee of \$1,000 to cover items such as report production, copies, postage and delivery charges, and technology related costs. Ms. Greenwood additionally advised that BKD

has filed a Texas Ethics Commission ("TEC") Form 1295 with the TEC and has provided the District with an original of said form. After discussion on the matter, Director Peters moved that (i) BKD be engaged to conduct an audit of the District's financial statements and prepare the District's audit reports for the fiscal year ending September 30, 2021, in accordance with the terms of the proposal presented, (ii) the District accept BKD's TEC Form 1295 relative to the preparation of such audit, and (iii) SPH be authorized to acknowledge the District's receipt of same with the TEC. Director Sanches seconded said motion, which unanimously carried.

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

Mr. Creed presented the Harris County Sheriff's Office ("HCSO") security activity report for August 2021, a copy of which report is attached hereto as **Exhibit E**, and discussed same with the Board. The Board determined to assign a new representative to serve as liaison to the HCSO and concurred that Director Knight should do so until she goes on maternity leave, at which point Director Lange will serve in that role.

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

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

Ms. McLaughlin next presented to and reviewed with the Board a First Amendment to Agreement for Services of Tax Assessor and Collector between the District and Leared (the "Amendment") related to the implementation of House Bill 1154, a copy of which is attached hereto as **Exhibit G**, and requested the Board's approval of same. Mr. Creed informed the Board that SPH has reviewed the Amendment and recommends its approval. After discussion on the matter, Director Sanches moved to (i) approve the Amendment, (ii) authorize the President to execute same on behalf of the Board and the District, and (iii) authorize SPH to acknowledge the associated Texas Ethics Commission ("TEC") Form 1295 provided by Bob Leared. Director Knight seconded said motion, which unanimously carried.

### **CONDUCT PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2021 TAX RATE**

As the next order of business, the Board conducted a public hearing regarding the adoption of the District's proposed tax rate for 2021. There being no comments from the public, upon a motion made by Director Lange, seconded by Director Peters and unanimously carried, such hearing was closed.

### **LEVY OF THE DISTRICT'S 2021 TAXES**

The Board discussed setting the District's 2021 tax rate. Ms. McLaughlin confirmed that the notice of the District's intention to set a tax rate, a copy of which is attached hereto as

**Exhibit H**, was published in the *The Houston Chronicle* in accordance with all legal requirements and as directed by the Board at its August 26, 2021, meeting. After discussion on the matter, Director Lange moved that: (i) the Board adopt the total tax rate as proposed at the Board's September 23, 2021, meeting and as reflected in the notice; (ii) the District levy a 2021 maintenance tax rate of \$0.25 per \$100 of assessed valuation, and a debt service tax rate of \$0.33 per \$100 of assessed valuation for a total 2021 tax rate of \$0.58 per \$100 of assessed valuation; and (iii) the Order Levying Taxes, attached hereto as **Exhibit I**, be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Peters seconded said motion, which unanimously carried.

### **APPROVAL AND EXECUTION OF AN AMENDED DISTRICT INFORMATION FORM**

Mr. Creed presented to and reviewed with the Board a proposed Amendment to the District's Amended and Restated District Information Form (the "Amendment") in connection with the District's 2021 tax rate. He advised that an Amendment to such form must be prepared and recorded in the Real Property Records of Harris County and filed with the Texas Commission on Environmental Quality ("TCEQ") when any of the required information therein changes, including the District's tax rate. After discussion regarding the Amendment, Director Lange moved that the Amendment be approved and that all of the Board members present be authorized to execute same on behalf of the Board and the District. Director Peters seconded said motion, which unanimously carried.

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

The Board deferred action with respect to the review of a Delinquent Tax Report from the District's Delinquent Tax Collections Attorneys, Perdue, Brandon, Fielder, Collins & Mott, L.L.P., as a report was not received this month.

### **OPERATIONS REPORT**

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

Mr. Arrant then requested that the Board consider authorizing MOC to move five (5) delinquent accounts to the uncollectible roll in the combined amount of \$306.89, 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 \$306.89, 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.

Mr. Creed reported that the West Harris County Regional Water Authority ("WHCRWA") has issued a Notice of Anticipated Fees effective January 1, 2022, and stated that the (i) Groundwater Reduction Plan Fee will increase from \$3.45 per 1,000 gallons of groundwater pumped to \$3.70 per 1,000 gallons of groundwater pumped, and (ii) the Surface

Water Fee will increase from \$3.85 per 1,000 gallons of water delivered by the Authority to \$4.10 per 1,000 gallons of water delivered by the Authority, a copy of which notice is attached hereto as **Exhibit K**. Due to the increase, Mr. Creed notified the Board that an item to consider amendment of the District's Rate Order will be added to a future agenda.

### **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.

Mr. Broom updated the Board regarding the rehabilitation of Water Plant No. 1 Ground Storage Tank ("GST") No. 1, as more fully set forth in the attached Engineering Report. She requested authorization to advertise for bids for the project. After discussion on the matter, Director Sanches moved to authorize CobbFendley to advertise for bids for the rehabilitation of GST No. 1. Director Lange 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, Ms. Broom presented and reviewed with the Board CobbFendley's recommended changes, a copy of which is included with the Engineering Report. She then responded to questions and concerns regarding same. It was noted that Ms. Broom will present her recommendations to Mr. Eby and Mr. Brandman for further discussion among the STP participating Districts.

Ms. Broom next presented and reviewed with the Board an electrical inspection report of Water Plant No. 1 and remote Well Site from Baird Gilroy & Dixon ("BGD"), as well as an overview of the proposed Capital Improvement Plan, a copy of which is attached to the Engineering Report. The Board requested a further detailed breakdown of the Capital Improvement Plan for review and discussion at next month's meeting.

Following discussion, Director Sanches moved that CobbFendley (i) be authorized to begin discussions with the participating district representatives concerning its recommended changes to the sampling procedures and Industrial Waste Order and (ii) prepare a detailed 10-year Capital improvement Plan for further review. Director Lange seconded said motion, which unanimously carried.

### **LANGHAM CREEK RESOURCE SHARING GROUP**

Mr. Creed updated the Board regarding the status of the District's withdrawal from the Langham Creek Resource Sharing Group.

### **UTILITY COMMITMENTS**

The Board deferred action regarding utility commitments as no additional requests were made this month.

## **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 August 2021, a copy of which report is attached hereto as **Exhibit M**.

Mr. Creed then reminded the Board regarding last month's discussion relating to GFL's annual Consumer Price Index ("CPI") adjustment. He noted that, based on the District's service agreement with GFL, said CPI adjustment will occur automatically.

## **DISCUSSION REGARDING DISTRICT RATE ORDER**

Mr. Creed discussed with the Board potential upcoming adjustments to the District's Rate Order, including (i) West Harris County Regional Water Authority rate adjustment, (ii) adjustments based on changes to the commercial customer sampling plan and (iii) GFL's CPI adjustment. After discussion on the matter, the Board concurred to delay amending its Rate Order until the end of the year.

## **BOOKKEEPER'S REPORT**

Mr. Hawthorne presented to and reviewed with the Board the Bookkeeper's Report dated September 23, 2021, a copy of which report is attached hereto as **Exhibit N**, 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. Director Sanches seconded said motion, which unanimously carried.

Mr. Hawthorne presented to and reviewed with the Board a proposed operating budget for the District's fiscal year ending September 30, 2022, a copy of which budget is attached to the Bookkeeper's Report, and discussed same with the Board. After discussion, Director Lange moved that the budget for the District's fiscal year ending September 30, 2022, be adopted by the Board and District, as presented. Director Sanches seconded said motion, which unanimously carried.

## **ATTORNEY'S REPORT**

The Board next considered the attorney's report. In that regard, the Board considered the establishment of new office and meeting places of the Board of Directors outside the boundaries of the District. After discussion on the matter, it was moved by Director Sanches, seconded by Director Knight and unanimously carried, that (i) the office and regular meeting places outside the boundaries of the District be changed to 1300 Post Oak Boulevard, Suites 2400 and 2500, Houston, Harris County, Texas 77056, and (ii) the Order Establishing Office and Meeting Places Outside the District attached hereto as **Exhibit O** in connection therewith be adopted by the Board. The Secretary was directed to execute and attorney to publish notice of designation of such office and meeting places outside the boundaries of the District and to file true copies of the Board's Order establishing said office and meeting place with the Texas Commission on Environmental Quality.

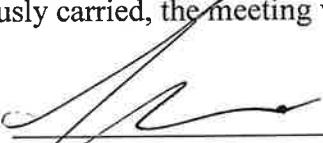
**FUTURE AGENDA MATTERS**

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.

**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



## 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 - Engagement proposal by BKD, LLP
- Exhibit E - Harris County Sheriff's Office Report
- Exhibit F - Tax Assessor/Collector Report
- Exhibit G - Amended and Restated Agreement for Services of Tax Assessor and Collector between the District and Leared
- Exhibit H - Notice of Hearing regarding Tax Rate
- Exhibit I - Order Levying Taxes
- Exhibit J - Operations Report
- Exhibit K - West Harris County Regional Water Authority Notice of Anticipated Fees
- Exhibit L - Engineering Report
- Exhibit M - GFL Environmental Report
- Exhibit N - Bookkeeper's Report
- Exhibit O - Order Establishing Office and Meeting Places Outside the District