

MINUTES OF MEETING OF  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,  
OF HARRIS COUNTY, TEXAS  
July 28, 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 July 28, 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, 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 ("BLI"); Dennis Eby of Eby Engineers, Inc. ("Eby Engineers"), engineer for Harris County Municipal Utility District No. 144 ("No. 144"); Russ Appleget of Harris County Municipal Utility District No. 264 ("No. 264"); 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**

**ACCEPTANCE OF QUALIFICATION STATEMENTS, BONDS, OATHS OF OFFICE, AND AFFIDAVITS OF CURRENT DIRECTOR**

The Board considered the acceptance of a Qualification Statement of Elected Officer, Bond, Oath of Office, and Affidavit of Current Director for Rachel Knight. In that regard, Director Knight presented her Statement of Elected Officer, Oath of Office, Affidavit of Current Director and official Bond. After discussion on the matter, it was moved by Director Peters, seconded by Director Lange and unanimously carried that the Board approve said Bond, and accept said Oath, Statement, and Affidavit.

**ELECTION NOT TO DISCLOSE CERTAIN INFORMATION**

Mr. Creed presented to the Board an Election Not to Disclose Certain Information ("Disclosure Form") for Director Knight. He stated that pursuant to Section 552.024 of the Texas Government Code, as amended, the directors may elect to withhold public access to

information in the custody of the District, including any additional information in the District's custody that is not specifically listed on the Disclosure Form. Upon review, Director Peters moved that the Disclosure Form be accepted. Director Lange seconded said motion, which unanimously carried.

### **DISTRICT REGISTRATION FORM**

Mr. Creed presented and reviewed with the Board a District Registration Form to be filed with the Texas Commission on Environmental Quality in connection with the election of Director Knight to the Board of Directors of the District. After discussion on the matter, Director Peters moved that the District Registration Form be approved as presented. Director Lange seconded said motion, which unanimously carried.

### **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 mechanical screen replacement project, Ms. Broom presented to and reviewed with the Board a draft warranty from STP Services ("STP"), a copy of which is attached to **Exhibit A**, for the Board's and committee members' review and comment prior to next month's meeting.

Ms. Broom next presented to and reviewed with the Board two proposals for engineering services for the Joint Wastewater Treatment Plant ("WWTP") Paving Improvements, copies of which proposals are included with **Exhibit A**. She also presented to and reviewed with the Board two estimated construction cost options for the Joint WWTP Paving Improvements, copies of which are included with **Exhibit A**, with option one totaling approximately \$375,382 and option 2 totaling approximately \$255,582. After further discussion on the matter, it was moved by Director Peters that the Board approve option 2 for the Joint WWTP Paving Improvements project, totaling approximately \$255,582, of which approximately \$52,182 is engineering fees. Director Lange seconded said motion, which unanimously carried. Mr. Eby and Mr. Appleget noted they were in agreement with that decision.

### **OPERATIONS REPORT**

Mr. Wright presented to and reviewed with the committee members the Wastewater Treatment Plant Operations Report for the month of June 2022, a copy of which report is attached hereto as **Exhibit B**, and discussed same with the Board. He noted that next month's report will reflect the new mechanical screen that has been installed.

Mr. Wright advised the Board that Mr. Eby had made an inquiry regarding certain fuel surcharges recently invoiced by K3 BMI, the sludge hauler for the joint plant. He noted that upon investigation, the surcharges are not recoverable under K3 BMI's contract and will

be refunded. He then presented to and reviewed with the Board a summary regarding the credit to be received for same, a copy which is included with **Exhibit B**. He noted that MOC will coordinate the refund of said fuel surcharges to each of the respective Districts.

Mr. Wright next presented a photo of the fine air diffusers located at aeration basin no. 2, a copy of which is included with **Exhibit B**, and noted that said basin is currently inoperable due to the need to clean the basin and replace the diffusers. He noted that the estimated cost to clean the basin is \$15,000 - \$20,000 and the estimated cost to replace the diffusers is \$15,000. After discussion, Director Peters moved that MOC be authorized to proceed with (i) the cleaning of the basin at a cost of approximately \$15,000 - \$20,000 and (ii) the replacement of the diffusers at a cost of approximately \$15,000. Director Sanches seconded said motion, which unanimously carried. It was noted that Messrs. Eby and Appleget were in agreement with the Board's authorization of same.

Mr. Wright advised this particulate aeration basin will be offline for approximately two weeks while the work is being performed.

### **BOOKKEEPER'S REPORT**

Mr. Hawthorne presented to and reviewed with the Board the Joint Sewage Treatment Plant Bookkeeper's Report dated July 28, 2022, a copy of which report is attached hereto as **Exhibit C**, 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. Mr. Creed advised that he had nothing of a legal nature to report to the committee members at this time.

### **OTHER MATTERS**

Mr. Wright requested that an item be added to the next agenda to discuss the temporary implementation of a fuel surcharge in connection with work being performed by MOC.

Messrs. Eby and Appleget exited the meeting at this time.

\* \* \*

### **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 June 16, 2022 special Board meeting. After discussion, Director Lange moved that the June 16, 2022 special Board meeting minutes be approved, as written. 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 June 2022, a copy of which report is attached hereto as **Exhibit D**, and discussed same with the Board. He noted that the District's current agreement with HCSO expires September 30, 2022 and that a renewal contract is expected to be received soon.

## **BOOKKEEPER'S REPORT**

Mr. Hawthorne presented to and reviewed with the Board the Bookkeeper's Report dated July 28, 2022, a copy of which report is attached hereto as **Exhibit E**, 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. Director Garcia seconded said motion, which unanimously carried.

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

Ms. McLaughlin presented and reviewed the Tax Assessor/Collector's Report for June 2022, including the disbursements presented for payment as listed therein, a copy of which report is attached hereto as **Exhibit F**. She noted that BLI is expecting certified rolls from Harris County Appraisal District by next month's meeting. After discussion, Director Sanches moved that said report be approved and that the disbursements identified in the report be approved for payment from the tax account. Director Lange seconded said motion, which unanimously carried.

## **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 July 28, 2022, a copy of which Report is attached hereto as **Exhibit G**. 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 June 2022, a copy of which report is attached hereto as **Exhibit H**, and discussed same with the Board.

Mr. Wright then requested that the Board consider authorizing MOC to move four (4) delinquent accounts to the uncollectible roll in the total amount of \$348.89, since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Lange moved that MOC be authorized to move four (4) delinquent accounts to the uncollectible roll in the total amount of \$348.89, as more fully set forth in the attached Operations Report, and as recommended by the District's Operator. Director Peters seconded said motion, which unanimously carried.

Mr. Wright updated the Board regarding the dormant Lift Station located on the property at 18410 FM 529 and 18420 FM 529, as discussed at last month's meeting. He advised the Board that said Lift Station has been removed, formally abandoned and closed out on the TCEQ's records. He noted that the billing for such work will be reflected on next month's invoice.

## 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 I**, and discussed same with the Board.

Ms. Broom next presented to and reviewed with the Board a proposal for engineering services for the Water Plant No. 1 Coatings Project, a copy of which proposal is included with **Exhibit I**. After discussion, Director Peters moved to approve the proposal for engineering services for the Water Plant No. 1 Coatings Project in the amount of \$35,620. Director Sanches seconded said motion, which unanimously carried.

Ms. Broom then discussed several proposed easement encroachments with the Board which are being requested as part of the pending commercial development within the District. Mr. Creed further advised the Board regarding details of a potential Consent to Encroachment Agreement to address same. After further discussion on the matter, Director Peters moved to authorize SPH and CobbFendley to coordinate the location of the encroachments with the developer and to prepare a draft Consent to Encroachment Agreement based upon those encroachments deemed acceptable. Director Sanches seconded said motion, which unanimously carried.

Director Peters noted the potential sinkholes referenced on this month's Storm Water Solutions report for Westgate Section 13. Ms. Broom advised that CobbFendley will investigate same and report back at next month's meeting.

## 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 ("GFL") report for the month of June 2022, a copy of which report is attached hereto as **Exhibit J**.

Mr. Creed next presented correspondence received from GFL Environmental ("GFL"), the District's solid waste collection provider, regarding the annual Consumer Price Index ("CPI") rate adjustment, a copy of which correspondence is attached hereto as **Exhibit K**. Mr. Creed advised that there is also an item on the agenda to consider amendment of the District's Rate Order in connection with such CPI adjustment. After discussion on the matter, Director Peters moved that the District's Rate Order be amended to include an increase in the residential sanitary sewer rate to incorporate the CPI adjustment by GFL Environmental, resulting in an increase in the residential sewer rate from \$28.90 to \$29.77, to be effective September 1, 2022, 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 Sanchez seconded said motion, which unanimously carried. The Rate Order, as amended, is attached hereto as **Exhibit L**.

## EXECUTIVE SESSION

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

## ATTORNEY'S REPORT

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

## FUTURE AGENDA MATTERS

The Board considered items for placement on a future agenda. Mr. Hawthorne requested that an item be added to the agenda for the next Board meeting regarding the approval of an Amended and Restated Agreement for Bookkeeping Services by and between the District and MAC.

**ADJOURNMENT**

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

638785.1



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 Security Report
- Exhibit E - Bookkeeper's Report
- Exhibit F - Tax Assessor/Collector Report
- Exhibit G - Delinquent Tax Report
- Exhibit H - Operations Report
- Exhibit I - Engineering Report
- Exhibit J - GFL Environmental Report
- Exhibit K - Correspondence from GFL Environmental regarding Annual Rate Adjustment
- Exhibit L - Rate Order