

MINUTES OF MEETING OF  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,  
OF HARRIS COUNTY, TEXAS  
April 27, 2023

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 April 27, 2023, 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. Director Knight, entered later in the meeting, as noted herein.

Also present at the meeting were Rachel Broom of Cobb Fendley & Associates, Inc. ("CobbFendley"); Taylor Watson of Municipal Accounts & Consulting, L.P. ("MA&C"); Lonnie Wright and Ryan Vaughn 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"); Chuck Brandman 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**

**MINUTES**

The Joint Sewage Treatment Plant committee members considered the minutes of its March 23, 2023, Board meeting. There were no corrections to the minutes requested.

**ENGINEERING REPORT**

Ms. Bloom 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. She noted that it doesn't appear additional funds will be needed for the project as originally thought. Mr. Brandman inquired about the timing of the pay estimates for the project. He requested that the bookkeeper provide the pay estimates to the Joint Wastewater Treatment Plant (the "WWTP") participants prior to their respective meetings so that they may approve payment of

their share prior to the District's meeting. Ms. Bloom reported that she estimates the walkthrough for the WWTP Driveway project can be scheduled for some time in May.

### **OPERATIONS REPORT**

Mr. Wright presented to and reviewed with the committee members the Wastewater Treatment Plant Operations Report for the month of March 2023, a copy of which report is attached hereto as **Exhibit B**, and discussed same with the Board.

Mr. Wright noted that the expenses that had been allocated last month to the Wastewater Treatment Plant bill rather than the Lift Station bill, as they should have been, have been corrected and the appropriate credits are reflected on this month's bill. No Board action was required.

Mr. Wright next presented to and reviewed with the Board a Notice of Consumer Price Increase ("CPI") from K-3BMI, the sludge management company for the plant, a copy of which is attached hereto as **Exhibit C**. Mr. Wright noted that a 6.92% increase will be applied to K-3 BMI's fee as reflected in the attached CPI notice. Mr. Wright reviewed the estimated cost impact of the increase with the committee members. After discussion, the committee concurred with the increase.

Director Knight entered the meeting during the discussion of Operations Report.

### **BOOKKEEPER'S REPORT**

Mr. Watson presented to and reviewed with the Board the Joint Sewage Treatment Plant Bookkeeper's Report dated April 27, 2023, 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 Lange 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.

Mr. Eby queried Ms. Broom regarding the amount of remaining capacity available to the WWTP participants and Mr. Creed as to how capacity is allocated under the parties' Waste Disposal Agreement. After discussion, the Board authorized CobbFendley to prepare a general evaluation of the WWTP's available capacity and present the evaluation findings at the May Board meeting.

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

Mr. Brandman noted that the Board of Directors of No. 264 was pleased that the District chose to support the Copeland PTO by making a donation to the Copeland Elementary School to acquire new playground equipment.

Mr. Brandman exited the meeting at this time.

### MINUTES

The Board considered approving the minutes of the District's March 23, 2023, Board meeting. After discussion, Director Peters moved that the March 23, 2023, Board meeting minutes be approved as presented. Director Sanches seconded said motion, which unanimously carried.

### HARRIS COUNTY SHERIFF'S OFFICE ("HCSO") SECURITY ACTIVITY REPORT

The Board considered the March 2023 HCSO Security Activity Report, a copy of which report is attached hereto as **Exhibit E**. No action required was by the Board on this matter.

### BOOKKEEPER'S REPORT

Mr. Watson presented to and reviewed with the Board the Bookkeeper's Report dated April 27, 2023, a copy of which report is attached hereto as **Exhibit F**, 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.

The Board requested that advance checks be prepared next month for the director's expenses in connection with their attendance at the June Association of Water Board Directors Conference.

### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin presented and reviewed the Tax Assessor/Collector's Report for March 31, 2023, including the disbursements presented for payment as listed therein, a copy of which report is attached hereto as **Exhibit G**. 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.

Ms. McLaughlin next reported on two delinquent homestead account payment plans

totaling \$1,406.40, as reflected on page 9 of the report.

### 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 April 27, 2023, a copy of which Report is attached hereto as **Exhibit H**. Mr. Creed advised that, according to the report, no Board action was necessary at this time.

### RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT REAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes. Mr. Creed advised that the Board is authorized pursuant to Section 33.07 of the Texas Tax Code, as amended, to impose, under certain conditions on July 1, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on taxes that remain delinquent as of July 1 of the year in which they became delinquent. He noted that the additional penalty to be imposed by this Resolution will not apply to delinquent personal property taxes which have incurred an additional penalty pursuant to that certain Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, which was passed and approved by the District on January 26, 2023. After further discussion, it was moved by Director Peters, seconded by Director Lange, and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes, attached hereto as **Exhibit I**, be adopted by the District, and that Perdue be authorized to proceed with the collection of the District's 2022 delinquent real property tax accounts on July 1, 2023, subject to proper notice having been given as provided in said Resolution, including the filing of lawsuits as necessary.

### OPERATIONS REPORT

Mr. Wright presented to and reviewed the Operations Report for the month of March 2023, 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 five (5) delinquent account to the uncollectible roll in the amount of \$912.84, since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Lange moved that MOC be authorized to move five (5) delinquent account to the uncollectible roll in the amount of \$912.84, as more fully set forth in the attached Operations and Maintenance Report, and as recommended by the District's Operator. Director Peters seconded said motion, which unanimously carried.

Mr. Wright then reviewed with the Board an annual report prepared by MOC regarding the District's Identity Theft Prevention Program (the "Program"), a copy of which report is included with **Exhibit J**, addressing the District's experience with identity theft during the prior year, current identity theft methods, the types of accounts maintained by the District and the

District's business arrangements with other entities. Mr. Wright advised that MOC recommends no changes be made to the District's Program at this time. The Board concurred with such recommendation.

The Board considered authorizing MOC to prepare a draft Consumer Confidence Report ("CCR") for review by the Board. Mr. Creed advised that, pursuant to CCR requirements promulgated by the United States Environmental Protection Agency and the TCEQ, the District is required to provide a report containing various information regarding the District's water supply to all customers of the District by July 1, 2023. After discussion on the matter, it was moved by Director Lange, seconded by Director Peters and unanimously carried, that MOC be authorized to prepare a draft CCR and SPH be authorized to review same for compliance with the regulatory requirements.

Director Peters then requested MOC to put a reminder on the next utility bill for customers to provide updated information in order to receive text alerts.

### **ENGINEERING REPORT**

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

Ms. Bloom next presented to and reviewed with the Board a proposal from Storm Water Solutions ("SWS") to reinforce and stabilize an outfall pipe located at the Westgate Detention Pond, a copy of said proposal being attached hereto as **Exhibit L**. After discussion, the Board concurred to defer consideration of the proposal until the May Board meeting. They requested that the item remain on the agenda and that a representative from SWS attend the next meeting to address same.

### **UTILITY COMMITMENTS**

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

### **DISTRICT WEBSITE**

Mr. Creed presented to and reviewed with the Board the Off Cinco Analytics Report, a copy of which is attached hereto as **Exhibit M**.

### **COMMUNICATIONS WITH HOMEOWNER'S ASSOCIATIONS ("HOA")**

Director Lange reported that the Westgate HOA has moved the date of its monthly Board meeting and he will therefore begin monitoring same. He then discussed other matters related to communications with the HOA.

**DISTRICT SHIRTS**

A discussion ensued regarding District shirts for the Directors to wear while conducting District business and attending conferences. Director Lange presented samples and discussed costs. After discussion, the Board authorized Director Lange to order the shirts on behalf of the District and that he be reimbursed for the associated expenses.

**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 presented to and reviewed with the Board an Arbitrage Analysis Report provided by Municipal Risk Management Group, L.L.C. ("MRMG") dated April 25, 2023, a copy of which is attached hereto as **Exhibit N**, in connection with the yield restriction and arbitrage rebate calculation analyses performed for the District's previous bond issues. Mr. Creed informed the Board that an engagement letter from Arbitrage Compliance Specialists, Inc. for preparation of a Final Arbitrage Rebate Report for the District's \$4,880,000.00 Unlimited Tax Refunding Bonds, Series 2019 will be included on the May agenda for consideration.

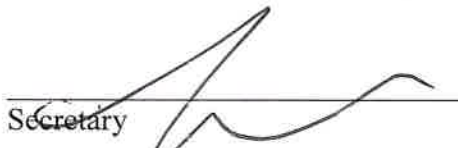
**FUTURE AGENDA MATTERS**

The Board considered items for placement on a future agenda. 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 

**LIST OF ATTACHMENTS TO MINUTES**

- Exhibit A     Engineering Report – Joint Wastewater Treatment Plant Committee
- Exhibit B     Wastewater Treatment Plant Operations Report
- Exhibit C     Notice of Consumer Price Increase from K-3BMI
- Exhibit D     Joint Sewage Treatment Plant Bookkeeper's Report
- Exhibit E     HCSO Security Activity Report
- Exhibit F     Bookkeeper's Report
- Exhibit G     Tax Assessor/Collector's Report
- Exhibit H     Tax Assessor/Collector's Report
- Exhibit I     Operations Report
- Exhibit J     Operations Report
- Exhibit K     Engineering Report
- Exhibit L     Proposal - Storm Water Solutions
- Exhibit M     OffCinco Analytic Report