

MINUTES OF MEETING OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,
OF HARRIS COUNTY, TEXAS
August 24, 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 August 24, 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 Directors Peters and Knight, thus constituting a quorum. Director Knight entered the meeting after it had been called to order, as noted herein.

Also present at the meeting were Rachel Broom of Cobb Fendley & Associates, Inc. ("CobbFendley"); Yaneth Cooper 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 July 27, 2023, Board meeting. No revisions were requested to said minutes.

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 Wastewater Treatment Plant (the "WWTP") Driveway Project, Ms. Broom noted that the project was completed on June 29, 2023. She advised that a WWTP Tour will be scheduled in the Fall and that she will circulate some alternative dates for

consideration in advance of next month's meeting.

OPERATIONS REPORT

Mr. Vaughn presented to and reviewed with the committee members the WWTP Operations Report for the month of July 2023, a copy of which report is attached hereto as **Exhibit B**, and discussed same with the Board.

Mr. Eby queried Mr. Wright and Mr. Vaughn as to the results of recent testing and inquired if there is any work to be done in preparation for hurricane season. Mr. Vaughn reported that the generators are being tested weekly and the quarterly full load test is scheduled to be completed soon.

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

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board the Joint Sewage Treatment Plant ("JSTP") Bookkeeper's Report for July 2023, a copy of which report is attached hereto as **Exhibit C**, including the disbursements presented for payment. After discussion, 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. Director Lange seconded said motion, which unanimously carried.

Ms. Cooper next presented a draft budget for the fiscal year ending September 30, 2024 (the "draft proposed 2024 budget"), and noted that the Board will consider adoption of the budget at its September meeting. Mr. Brandman asked if there were any other capital improvement items to be considered for the upcoming year. Ms. Broom responded and noted that the draft proposed 2024 budget will be sent to the JSTP participants for review and comment prior to the September Board meeting. Mr. Brandman asked that it be distributed well in advance of the next meeting. It was noted that the District's Capital Improvement Plan will be updated in connection with the proposed 2024 budget at the next meeting.

HARRIS COUNTY HEALTH DEPARTMENT

Mr. Creed reported the receipt of correspondence from Kendra Davis, the Surveillance Program Supervisor, Office of Epidemiology, Surveillance, and Emerging Diseases of the Harris County Public Health Department (the "HCPHD"), a copy of such correspondence being attached hereto as **Exhibit D**, regarding the HCPHD's Wastewater Surveillance Program. Mr. Creed noted the correspondence requests authorization from the Board to conduct a site visit to the District's JSTP to determine if the site meets HCPHD's criteria to be considered for participation in the program. After discussion, the Board concurred to defer consideration of the matter until the next Board meeting.

DISCUSSION OF MEMORANDUM OF UNDERSTANDING CONCERNING OPERATION PROCEDURES FOR JSTP (THE "MOU")

Mr. Creed next discussed the draft MOU with the Board and JSTP Committee members. It was noted that Mr. Brandman had provided certain comments to the draft MOU and a discussion ensued regarding same. Mr. Eby requested that the sections of the Waste Disposal Agreement referenced in the MOU either be spelled out in further detail or attached for reference. Mr. Eby advised that he still needs to review the draft MOU further and provide it to No. 144's attorney for review. Mr. Creed recommended that the participants and their consultants be allowed additional time to provide comments, following which the MOU can be revised as appropriate to address all comments received. The committee concurred with that recommendation.

The consultants advised the Committee as to when they could deliver their reports to the committee for review prior to the meeting.

Mr. Eby exited the meeting at this time.

JOINT SEWAGE TREATMENT PLANT ATTORNEY REPORT

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

DISTRICT MEETING

The Vice 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.

MINUTES

The Board considered approving the minutes of the District's July 27, 2023, meeting. After discussion, Director Lange moved that the July 27, 2023, Board meeting minutes be approved as written. Director Sanches seconded said motion, which unanimously carried.

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

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

Mr. Creed next informed the Board that the 2023-2024 Interlocal Agreement for Law Enforcement Services between Harris County and the District (the "Renewal Agreement") is attached hereto as **Exhibit F**, and he reviewed same with the Board. After discussion, Director Lange moved to approve the Renewal Agreement, to be effective on October 1, 2023, through September 30, 2024. Director Knight seconded said motion, which carried unanimously.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT INVENTORY REPORT

Ms. Cooper presented to and reviewed with the Board the Bookkeeper's Report dated August 24, 2023, 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, including the purchase of Certificate of Deposits as discussed. Director Lange seconded said motion, which unanimously carried.

Ms. Cooper then presented to and reviewed with the Board a Quarterly Investment Inventory Report, which had been prepared by MA&C for the reporting period ending June 30, 2023, 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.

Mr. Brandman exited the meeting during the discussion of the Bookkeeper's Report.

TAX ASSESSOR/COLLECTOR'S REPORT

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

FINANCIAL ADVISOR'S 2023 TAX RATE RECOMMENDATION

The Board deferred the tax rate recommendation until its September Board meeting.

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. Vaughn presented to and reviewed the Operations Report for the month of July 2023, a copy of which report is attached hereto as **Exhibit I**, and discussed same with the Board.

Mr. Vaughn next requested that the Board consider authorizing MOC to move six (6) delinquent accounts to the uncollectible roll in the total amount of \$474.27, since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Garcia moved that MOC be authorized to move six (6) delinquent accounts to the uncollectible roll in the total amount of \$474.27, 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. Wright reported that the City of Houston will soon implement Stage 2 of its Drought Contingency Plan. He then reported that the West Harris County Regional Water Authority (the "WHCRWA") provided notice to the District, on August 10, 2023, that it was implementing Stage 1 of its Drought Contingency Plan to facilitate compliance with the Harris Galveston Subsidence District requirements. A copy of the WHCRWA Notice of Stage 1 Drought Conditions is attached to the Operations Report. After discussion, the Board concurred to notify customers that the District is implementing Stage 1 of its Drought Contingency Plan to facilitate compliance with the WHCRWA's requirements by signage placement in the District, water bill inserts and an information page on the District's/MOC website page.

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 J**, and discussed same.

A discussion ensued regarding the asbestos cement waterlines located in seven Sections and/or areas (7) throughout the District totaling approximately 24,090 linear feet. Ms. Broom estimated the cost to replace the waterline pipes in these areas to be approximately \$5 million dollars. The Board discussed the scope of the replacement project and how to fund same. After discussion, the Board concurred to authorize CobbFendley to prepare a revised CIP reflecting the waterline replacement project taking place over a period of time. Mr. Creed noted that he would contact the District's Financial Advisor to discuss the sizing of a potential bond issue to fund the project.

Ms. Broom noted that she will not be at the September meeting but confirmed that Amber Hurd of CobbFendley would will be in attendance.

A discussion next ensued concerning the status of drainage from a tract located adjacent to the District and the maintenance of associated easements and/or swales in the area. Ms. Broom noted that it was previously determined the nearby tract is owned by the Westgate Homeowner's Association ("Westgate") and is not being regularly maintained. Mr. Creed reported sending follow-up correspondence to Westgate requesting that it regularly maintain its tract.

Ms. Broom then presented to and reviewed with the Board the Storm Water Solutions Storm Water Quality Reports for work completed at Westgate Sections 11, 12, 13, 18, 19 and the Detention Ponds, copies of the reports being attached to the Engineer's Report.

ALTERNATIVE DRAINAGE FACILITY MAINTENANCE SERVICES

The Board deferred discussion of alternative drainage facility maintenance services and related proposals until the next Board meeting.

UTILITY COMMITMENTS

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

GFL ENVIRONMENTAL STATUS REPORT

Mr. Creed presented to and reviewed with the Board GFL Environmental's ("GFL") report for the month of July 2023 and Call Log, copies of such report and log are attached hereto as **Exhibit K**.

Mr. Creed reported that GFL respectfully declined the Board's request to waive the CPI adjustment under its contract with the District for the 2023-2024 term.

Mr. Creed next presented correspondence received from GFL Environmental ("GFL"), the District's solid waste collection provider, regarding that annual Consumer Price Index ("CPI") rate adjustment, a copy of which correspondence is attached hereto as **Exhibit L**. 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 Sanches 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 \$29.77 to \$31.09, to be effective September 1, 2023, 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 M**.

DISTRICT WEBSITE

Mr. Creed presented to and reviewed with the Board a proposal from Off-Cinco for Google Analytics reporting in connection with the District's website. Director Lange advised he spoke with Off-Cinco about their proposal and reported that the estimated costs for the service are: \$100 an hour (for approximately two hours) and \$50 a quarter to generate and send the report. He noted that the Board receives the report four times a year. After discussion on the matter, Director Lange moved to approve the proposal from Off-Cinco as presented, and to authorize SPH to accept and acknowledge Off-Cinco's Texas Ethics Commission Form 1295 on behalf of the Board and the District. Director Lange seconded said motion, which unanimously carried. A copy of the proposal is attached hereto as **Exhibit N**.

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.

COMMUNICATIONS WITH HOMEOWNER'S ASSOCIATIONS ("HOA")

Director Lange reported that he had no additional information to report on this matter at this time.

ATTORNEY'S REPORT

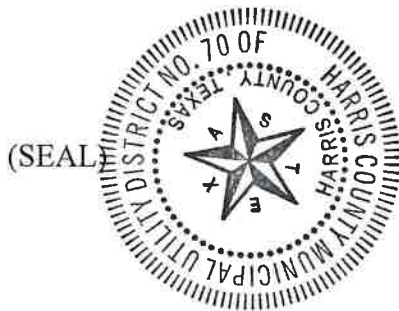
The Board considered the Attorney's Report. Mr. Creed queried the Board as to whether anyone attend the Copeland PTO Playground Ribbon Cutting Event on August 17, 2023. It was noted that no Directors were able to attend the event.

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 Sanches, seconded by Director Lange 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 Joint Sewage Treatment Plant Bookkeeper's Report
- Exhibit D Harris County Public Health Department Correspondence
- Exhibit E HCSO Security Activity Report
- Exhibit F Interlocal Agreement for Law Enforcement Services between Harris County and the District
- Exhibit G Bookkeeper's Report
- Exhibit H Tax Assessor/Collector's Report
- Exhibit I Operations Report and WHCRWA Notice of Stage 1 Drought Conditions
- Exhibit J Engineering Report
- Exhibit K GFL Environmental Report and Call Log
- Exhibit L Notice of CPI Increase by GFL Environmental
- Exhibit M Rate Order
- Exhibit N Off Cinco Analytics Report Proposal