

MINUTES OF MEETING OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,
OF HARRIS COUNTY, TEXAS
September 28, 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 September 28, 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 the meeting after it had been called to order, as noted herein.

Also present at the meeting were Sherri Greenwood of Forvis, LLP ("Forvis"); Chase Eastland of Masterson Advisors LLC ("Masterson"); Amber Hurd of Cobb Fendley & Associates, Inc. ("CobbFendley"); Darrell Hawthorne of Municipal Accounts & Consulting, L.P. ("MA&C"); 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"); Russ Appelget 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 August 24, 2023, Board meeting. No revisions were requested to said minutes.

ENGINEERING REPORT

Ms. Hurd 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. Hurd next presented to and reviewed with the Board a draft Capital Improvement Plan ("Draft CIP"), a copy of which is attached to the Engineers Report. Mr. Eby suggested that

a separate repair list be generated for items that can be performed by MOC along with estimated costs. The Committee requested that a separate list of such items be prepared for review.

In connection with the planned Wastewater Treatment Plant (the "WWTP") tour, Ms. Hurd discussed tentative dates for this Fall. It was noted that representatives from the District and No. 264 are able to attend on November 11, 2023, beginning at 9:00 a.m. Ms. Hurd advised that she will tentatively reserve that date for now. Mr. Eby said he would confirm the date with the Board of Directors of No. 144.

Director Knight entered the meeting at this time.

OPERATIONS REPORT

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

BOOKKEEPER'S REPORT

Mr. Hawthorne presented to and reviewed with the Board the Joint Sewage Treatment Plant ("JSTP") Bookkeeper's Report for September 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 JSTP 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.

ADOPTION OF BUDGET FOR FYE SEPTEMBER 30, 2024

The Board considered the adoption of an operating budget for the JSTP for the District's fiscal year ending September 30, 2024. Mr. Hawthorne presented to and reviewed with the Board a proposed operating budget, a copy of which is attached to the JSTP Bookkeeper's Report, and reviewed same with the Board. Mr. Eby requested a final accounting of the driveway project be prepared. After further discussion, Director Sanches moved that the operating budget for the JSTP for the fiscal year ending September 30, 2024, be adopted by the Board. Director Lange seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR

The Board considered the engagement of an auditor to prepare the District's general and JSTP audit reports for the fiscal year ending September 30, 2023. In connection therewith, Ms. Greenwood presented to and reviewed with the Board a proposal prepared by Forvis, a copy of which is attached hereto as **Exhibit D**. She then advised that Forvis' fees for said audits are estimated to be \$2,800 for the JSTP audit, and \$20,900 for the general audit, plus an administrative fee of approximately \$1,000 to cover items such as report production, copies, postage and delivery charges, and technology related costs. Ms. Greenwood additionally advised that Forvis 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 Lange moved that (i) Forvis 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, 2023, in accordance with the terms of the proposal presented, (ii) the District accept Forvis' 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 Garcia seconded said motion, which unanimously carried.

HARRIS COUNTY HEALTH DEPARTMENT

In connection with the discussion last month regarding the request from the Office of Epidemiology, Surveillance, and Emerging Diseases of the Harris County Public Health Department (the "HCPHD") to conduct an onsite visit to the District's WWTP to determine if the site meets HCPHD's criteria to be considered for participation in its Wastewater Surveillance Program. After discussion, the Board concurred to decline the request and not participate in the program.

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

Mr. Creed next discussed the draft MOU with the Board and JSTP Committee members. Director Appelget expressed concern regarding inclusion of the company names for the District's current consultants in the MOU because the identity of those consultants could change in the future. Following discussion, the Committee concurred to defer addressing any comments until all such comments have been received from the participants.

JOINT SEWAGE TREATMENT PLANT ATTORNEY REPORT

The Board next considered the attorney's report. Mr. Creed informed the Board and Committee that the regular November meeting is scheduled on Thanksgiving Day and will need to be rescheduled. After discussion, the Board and Committee concurred to reschedule the November meeting to Thursday, November 16, 2023, at 6:30 p.m.

The Board and Committee then discussed the December meeting. After discussion, the Board and Committee concurred to keep the December meeting on its regularly scheduled date of Thursday, December 28, 2023, and noted that the time of the meeting will be determined next month.

Mr. Eby requested that CobbFendley check whether the biomonitoring requirements were reduced in the recent waste discharge permit. Ms. Hurd advised that she would look into the matter.

Director Appelget and Mr. Eby 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.

MINUTES

The Board considered approving the minutes of the District's August 24, 2023, meeting. After discussion, Director Lange moved that the August 24, 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 September 2023 HCSO Security Activity Report, a copy of which report is attached hereto as **Exhibit E**. No action required was by the Board.

BOOKKEEPER'S REPORT

Mr. Hawthorne presented to and reviewed with the Board the Bookkeeper's Report dated September 28, 2023, a copy of which report is attached hereto as **Exhibit F**, including the disbursements listed therein. After discussion, it was moved by Director Garcia 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.

ADOPTION OF BUDGET FOR FYE SEPTEMBER 30, 2024

Mr. Hawthorne presented to and reviewed with the Board a proposed operating budget for the District's fiscal year ending September 30, 2024 (the "2024 Budget"), a copy of which is attached to the Bookkeeper's Report, and discussed same with the Board. The Board requested that a new expense item be added to the 2024 Budget entitled "Community Support" in the amount of \$5,000.00. After discussion, Director Garcia moved that the budget for the District's fiscal year ending September 30, 2024, be adopted by the Board and District, as revised. Director Sanches seconded said motion, which unanimously carried. A copy of the approved 2024 Budget is attached hereto as **Exhibit G**.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin presented and reviewed the Tax Assessor/Collector's Report for August, 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 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.

FINANCIAL ADVISOR'S 2023 TAX RATE RECOMMENDATION

There followed a discussion concerning the requirements for notice of the District's intention to adopt a 2023 tax rate. Mr. Creed advised that, pursuant to the Texas Water Code, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Creed further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

Ms. Eastland presented to and reviewed with the Board a 2023 Debt Service Tax Rate Recommendation prepared by Masterson for the District, a copy of which is attached hereto as **Exhibit I**, and discussed same with the Board. She then discussed Masterson's recommendation regarding the proposed 2023 debt service tax rate and maintenance tax rate with the Board and advised that Masterson is initially recommending a proposed 2023 debt service tax rate of \$0.22 per \$100 of assessed valuation and a proposed 2023 maintenance tax rate of \$0.25 per \$100 of assessed valuation. After an extended discussion and consideration of the near term funding needs of the District, the Board concurred to publish its notice based on a 2023 debt service tax rate of \$0.28 and a maintenance tax rate of \$0.25. After further discussion on the matter, Director Peters moved that the Board indicate its intention to set a total tax rate of \$0.53 per \$100 of assessed valuation and that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2023 tax rate at its next meeting in the form and at the time required by law. Director Lange 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. Vaughn presented to and reviewed the Operations Report for the month of August 2023, a copy of which report is attached hereto as **Exhibit J**, and discussed same with the Board.

Mr. Vaughn next requested that the Board consider authorizing MOC to move seven (7) delinquent accounts to the uncollectible roll in the total amount of \$816.37, since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Peters moved that MOC be authorized to move seven (7) delinquent accounts to the uncollectible roll in the total amount of \$816.37, 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. Vaughn then reported that the West Harris County Regional Water Authority (the "WHCRWA") has provided notice to the district that effective September 6, 2023, it has implemented Stage 2 of its Drought Contingency Plan ("DCP"). He noted that Stage 2 is a "voluntary" water conservation measure and is in compliance with the Harris Galveston Subsidence District requirements. A copy of the WHCRWA Notice of Stage 2 Drought Conditions is attached to the Operations Report.

Mr. Vaughn next reported that three (3) sewer taps were damaged due to the ground shifting and have since been repaired. He further noted that the next bill and report will reflect the repairs.

Ms. Greenwood exited the meeting during the discussion of the Operations Report.

ENGINEERING REPORT

Ms. Hurd 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.

Ms. Hurd next presented to and reviewed with the Board the Draft Capital Improvement Plan ("CPI"), a copy of which is attached to the Engineering Report. Following discussion, the Board requested that CobbFendley prepare alternate cost summaries for Phases I - II of the water rehabilitation project and Phases I – III of the water line rehabilitation project, for Board review and consideration.

Ms. Hurd then presented to and reviewed with the Board the Harris County Flood Control District's (the "HCFCD") Sediment Removal Map – Addicks Barker Reservoir Watershed Project, a copy of which map is attached to the Engineering Report.

Ms. Hurd next presented to and reviewed with the Board the Storm Water Solutions ("SWS") 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. She then presented to and reviewed with the Board a proposal from SWS in the amount of \$1,275.00 for the removal and replacement of pins and springs on vault doors at the Westgate Sections 18 and 19 Trash Trooper Units. A copy of the proposal is attached hereto as **Exhibit L**. After discussion, Director Peters moved to defer the consideration of SWS's proposal, and to include on the October agenda the consideration of a notice of termination of contract between the District and SWS and the consideration of the engagement of Double Oak Erosion, Inc. ("DOE"). Director Garcia seconded said motion, which unanimously carried.

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 August 2023 and Call Log, copies of such report and log being attached hereto as **Exhibit M**.

DISTRICT WEBSITE

The Board deferred the consideration of the District's Google Analytics Report as it is a quarterly report and the next report from Off Cinco will be presented in December 2023.

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.

ACCLAIM ENERGY MANAGEMENT AGREEMENT – ESTABLISHED DISTRICT

Mr. Creed presented to and reviewed with the Board a proposed Energy Management Agreement (the "Management Agreement") received from Acclaim Energy, Ltd. Mr. Creed advised that, due to the amount of time spent for implementation and monitoring of electricity services for Acclaim clients, Acclaim has proposed a flat rate for multiple services that would be provided on an as-needed basis. After discussion, Director Lange moved that the Management Agreement with Acclaim be approved, as presented, and the President execute same on behalf of the Board and the District, and (ii) the accompanying Texas Ethics Commission ("TEC") Form 1295 be accepted. Director Garcia seconded said motion, which carried unanimously. A copy of the Management Agreement with Acclaim is attached hereto as **Exhibit N**.

ATTORNEY'S REPORT

The Board considered the Attorney's Report. Mr. Creed informed the Board of the invitation to attend the October Cypress-Fairbanks Independent School District Board of Trustees meeting so the Trustees can formally thank the District for its donation to the school.

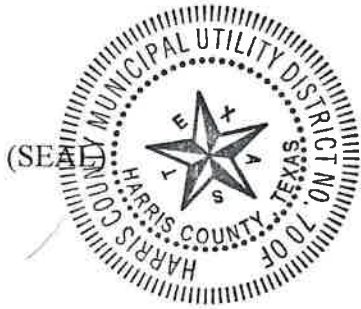
Mr. Creed next reported that MOC has received a subpoena for certain District water testing records in a pending Family Court matter. He advised that SPH is working with MOC to prepare a response to the subpoena.

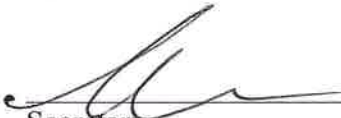
FUTURE AGENDA MATTERS

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 Lange, 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 Joint Sewage Treatment Plant Bookkeeper's Report
- Exhibit E HCSO Security Activity Report
- Exhibit F Bookkeeper's Report
- Exhibit G Approved Annual Budget for Fiscal Year End 2024
- Exhibit H Tax Assessor/Collector's Report
- Exhibit I 2023 Debt Service Tax Rate Recommendation
- Exhibit J Operations Report and WHCRWA Notice of Stage 2 Drought Conditions
- Exhibit K Engineering Report
- Exhibit L Storm Water Solutions Proposal
- Exhibit M GFL Environmental Report and Call Log
- Exhibit N Acclaim Energy, Ltd. – Energy Management Agreement