

MINUTES OF MEETING OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,
OF HARRIS COUNTY, TEXAS
October 26, 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 October 26, 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, thus constituting a quorum.

Also present at the meeting were: Debbie Shelton of Masterson Advisors LLC ("Masterson"); Rachel Broom of Cobb Fendley & Associates, Inc. ("CobbFendley"); Vanessa Herrera 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"); 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 September 28, 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.

Ms. Broom next reported that there will be additional updates to the draft Capital Improvement Plan ("CIP") based upon to the recent evaluation of conduit. She noted that the estimated cost of the project would be revised from \$350,000 to approximately \$400,000 and the project would be moved to Year 3 of the CIP. Ms. Broom noted that an updated CIP will be

provided to the Board at the November Board meeting following the tour.

OPERATIONS REPORT

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

Mr. Wright next presented to and reviewed with the Board an Electrical Evaluation Minor Repairs Cost Summary, a copy of the summary being attached to the Wastewater Treatment Plant Operations Report. He advised the Committee that the majority of the repairs will be worked into the current maintenance schedule and those noted as "long term" projects will be addressed as part of a larger future project. Mr. Eby requested a monthly status report on the listed repairs, until all of the repairs have been completed.

BOOKKEEPER'S REPORT

Ms. Herrera 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 Garcia 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.

Mr. Eby asked about the status of preparing a report to reflect the final cost of the paving project and breakdown of what each District paid. Ms. Herrera noted that she will research the status of some and report back.

Mr. Eby next inquired as to why checks are being cut out to reimburse the Districts from the JSTP account. Ms. Herrera explained that the recent budget adjustments (and lower operating reserve requirements) have resulted in a refund to each district.

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

Mr. Eby reported that No. 144 has no further comments to the MOU. Mr. Creed noted that he would incorporate comments received to date and re-circulate a clean version of the MOU for approval by the districts.

JOINT SEWAGE TREATMENT PLANT ATTORNEY REPORT

The Board next considered the Attorney's Report. In connection therewith, 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.

APPROVAL OF ROUTINE MAINTENANCE ITEMS

The Board revisited the summary of minor electrical repairs presented by the operator as part of **Exhibit B**. Following discussion, upon motion made by Director Lange, seconded by Director Peters and unanimously carried, MOC was authorized to proceed with such repairs as noted.

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 September 28, 2023, meeting. After discussion, Director Lange moved that the September 28, 2023, Board meeting minutes be approved as written. Director Peters seconded said motion, which unanimously carried.

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

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

BOOKKEEPER'S REPORT

Mr. Hawthorne presented to and reviewed with the Board the Bookkeeper's Report dated October 26, 2023, a copy of which report is attached hereto as **Exhibit E**, 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.

STATUS OF COMPLIANCE BY THE DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265, RELATIVE TO ENERGY REPORTING

The Board considered the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Creed advised the Board that governmental entities, including the District, are required to prepare an annual report on the entities' metered usage of electricity and the aggregate costs for same. Ms. Herrera then

noted that Acclaim Energy has provided an annual report, a copy of which is attached to the Bookkeeper's Report, summarizing the District's electricity usage and costs. Mr. Creed advised that no further District action was necessary to achieve compliance.

REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

The Board considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Investment Policy"), and the adoption of a resolution in connection therewith. Mr. Creed presented for the Board's review an amended Investment Policy and a Resolution Regarding Review of the Investment Policy (the "Resolution"), copies of which are attached hereto as **Exhibit F**. After discussion on the matter, Director Peters moved that the amended Investment Policy be approved, that the Board adopt the Resolution, and that the President and Secretary be authorized to execute the amended Investment Policy and the Resolution on behalf of the Board and the District. Director Lange seconded said motion, which unanimously carried.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin presented and reviewed the Tax Assessor/Collector's Report for September 30, 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.

CONDUCT PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2023 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 2023. 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.

Ms. Shelton next presented to and reviewed with the Board a Cash Flow Analysis prepared by Masterson, , a copy of which report is attached hereto as **Exhibit H**, and discussed possible bond issues and related tax rate implications with the Board.

LEVY OF THE DISTRICT'S 2023 TAXES

The Board next discussed setting the District's 2023 tax rate. Ms. McLaughlin confirmed that the notice of the District's intention to set a tax rate was published in *The Houston Chronicle* in accordance with all legal requirements and as directed by the Board at its September 28, 2023, meeting. After discussion on the matter, Director Lange moved that: (i) the District levy a 2023 maintenance tax rate of \$0.25 per \$100 of assessed valuation, and a debt service tax rate of \$0.28 per \$100 of assessed valuation for a total 2023 tax rate of \$0.53 per \$100 of assessed valuation;

and (ii) 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 2023 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 Garcia 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

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 October 26, 2023, a copy of which Report is affixed hereto as **Exhibit J**. Mr. Creed advised that, according to the report, no Board action was necessary at this time.

OPERATIONS REPORT

Mr. Wright presented and reviewed the Operations Report for the month of September 2023, a copy of which report is attached hereto as **Exhibit K**, and discussed same with the Board.

Mr. Wright next requested that the Board consider authorizing MOC to move five (5) delinquent accounts to the uncollectible roll in the total amount of \$1,031.16, since all collection efforts to date had been unsuccessful. After discussion, Director Garcia moved that MOC be authorized to move five (5) delinquent accounts to the uncollectible roll in the total amount of \$1,031.16, 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 presented to and reviewed with the Board a revised Delinquent List and noted that all delinquent utility accounts not paid by the due date will be subject to service termination per the District's Rate Order.

Mr. Wright reported on the Friday, October 20th the repair of a sixteen inch water main located across the street from the Water Plant that had resulted in a temporary loss of water to certain nearby residents. Mr. Wright advised the Board that MOC had the water turned back on by 5:30 a.m. on Saturday, October 21st and boil water notice signs were placed at the entrances to the community. He advised text messages were sent Sunday morning that the boil water

restriction had been lifted. He then presented to the Board a Starnik Notification Report showing the accounts that received a text or email notification about the boil water rescind notice. A copy of the Starnik Notification Report is attached to the Operations Report.

Mr. Wright then reported that there are additional valves that are need of repair and presented a map indicating the homes that will have service interrupted while the repairs are being completed. He stated the map also reflects the locations of the damaged valves and the locations where valves should be but cannot be located. A copy of the map is attached to the Operations Report.

A discussion ensued regarding an emergency messaging system which would include text alerts. After discussion the Board concurred to: (i) send an email message to the accounts that were not able to receive a text during the most recent event and encourage them to sign up for District text alerts; (ii) delegate authority to Director Lange to coordinate the placement of text alert messages on the two (2) HOA websites for any similar events going forward; and (iii) authorize the inclusion of a message to sign up for text alerts in the monthly utility bill.

Mr. Wright next reported on a request from Burger King to adjust its last utility bill. Mr. Wright explained that a water pipe located under a concrete floor broke and by the time it was identified the business had lost approximately 226,000 gallons of water and incurred \$20,585.00 in repairs. Mr. Wright noted that the business' average monthly water use is 50,000 gallons and utilizing that amount would result in a credit on the bill of \$634.00. After discussion, Director Peters moved to deny the request and authorize MOC to contact the customer and advise them of the Board's decision. Director Sanches seconded the motion, and with Directors Sanches, Peters, Knight and Garcia voting "aye" and Director Lange abstaining, the motion passed.

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.

Ms. Broom next presented and reviewed with the Board two proposals from CobbFendley for the engineering design on the waterline replacement project, copies of the proposals being attached to the Engineer's Report.

Ms. Broom then presented and reviewed with the Board a proposal from CobbFendley in the amount of \$40,000 for the preparation of Bond Application Report No. 13 and two Summary of Cost options included in the Engineering Report; Option 1 in the amount of \$5,110,000 and Option 2 in the amount of \$7,615,000. After discussion, Director Sanches moved to: (i) approve the Option 2 proposal for a report in the amount of \$7,615,000, and (ii) authorized CobbFendley to prepare preliminary design information for the waterline replacement project and present a revised proposal for engineering design fees next month that includes the design of project Phases 1-3. Director Lange seconded said motion, which unanimously carried.

Ms. Broom 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.

TERMINATION OF STORM WATER SOLUTIONS AND ENGAGEMENT OF DOUBLE OAK EROSION

A discussion ensued to terminate the Master Service Agreement ("MSA") between Storm Water Solutions and the District and to engage Double Oak Erosion to provide drainage facility maintenance services. After discussion, Director Sanches moved to: (i) terminate the MSA, (ii) authorize SPH to prepare a notice of termination to SWS to be effective as of December 1, 2023, and (iii) to authorize SPH to negotiate a form of contract with Double Oak Erosion to be presented next month. Director Peters seconded said motion, which unanimously carried.

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 September 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.

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 associated costs. After discussion, Director Garcia moved that Director Lange be authorized to order the shirts on behalf of the District and that he be reimbursed for the associated expenses. Director Sanches seconded said motion, which carried unanimously.

ATTORNEY'S REPORT

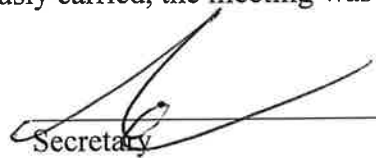
Mr. Creed reviewed the plans for the District's Holiday Event to be held on Thursday, December 28, 2023. The Board noted that its December meeting will be scheduled for 5:30 p.m. in order to accommodate the event held afterwards.

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 Garcia 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 HCSO Security Activity Report
- Exhibit E Bookkeeper's Report
- Exhibit F Resolution Regarding Review of the Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- Exhibit G Tax Assessor/Collector's Report
- Exhibit H Cash Flow Analysis
- Exhibit I Order Levying Taxes
- Exhibit J Delinquent Tax Report
- Exhibit K Operations Report and WHCRWA Notice of Stage 2 Drought Conditions
- Exhibit L Engineering Report
- Exhibit M GFL Environmental Report and Call Log