

MINUTES OF MEETING OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,
OF HARRIS COUNTY, TEXAS
August 22, 2024

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 22, 2024, 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.

Also present at the meeting were: Debbie Shelton of Masterson Advisors, LLC ("Masterson"); Rachel Broom of Cobb Fendley & Associates, Inc. ("CobbFendley"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MA&C"); Sam Cocke of Double Oak Erosion ("DOE"); Ryan Vaughn of Municipal Operations & Consulting, Inc. ("MOC"); Brenda McLaughlin of Bob Leared Interests ("BLI"); Dennis Eby of Eby Engineers, Inc., 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 (THE "COMMITTEE") MEETING
MINUTES

The Joint Sewage Treatment Plant Committee portion of the minutes of the District's July 25, 2024, Board meeting were considered. No revisions were requested to said minutes.

ENGINEERING REPORT

Ms. Broom presented a written Engineering Report for the Joint Sewage Treatment Plant Committee Meeting, a copy of which report is attached hereto as **Exhibit A**. She then presented to and reviewed with the Committee the Fiscal Year End 2025 Capital Improvement Plan (the "CIP"), a copy of which is attached to the Engineer's Report.

A discussion ensued regarding the funding of the Lift Station Wet Well Rehabilitation Project (the "LSWW Rehab. Project") in the estimated amount of \$155,800, which is identified in the CIP as a priority no. 1, 2025 project. The Committee then discussed the ownership share percentages of the Lift Station and whether the LSWW Rehab. Project would be considered a

capital project or a maintenance project. Mr. Eby requested CobbFendley to review the districts respective cost share amounts and provide a summary for review at the September Board meeting.

Ms. Broom noted she will send out potential dates to the Committee for scheduling of the annual plant tour.

OPERATIONS REPORT

Mr. Vaughn presented and reviewed the Wastewater Treatment Plant ("WWTP") Operations Report for the month of July 2024, a copy of which report is attached hereto as **Exhibit B** and discussed same with the Board. No action was taken.

A discussion ensued regarding the status of the facilities after Hurricane Beryl. Mr. Vaughn noted one tree fell on site and was removed. He stated MOC has not yet received an invoice for the tree removal.

Mr. Vaughn next reported on the results of the recent Texas Commission on Environmental Quality (the "TCEQ") inspection. He stated that there were only a few items noted by the inspector and that MOC has resolved all of those items.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board the JSTP Bookkeeper's Report for August 22, 2024, a copy of which report is attached hereto as **Exhibit C**, including the disbursements presented for payment. After discussion, it was moved by Director Lange that the JSTP Bookkeeper's Report be approved and that the disbursements identified in the report be authorized for payment. Director Garcia seconded said motion, which unanimously carried.

In connection with the preparation of the Fiscal Year 2025 Operating Budget for the JSTP, Ms. Cooper noted that an initial draft is included with this month's report, and the budget will be adopted at the September meeting.

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.

HARRIS COUNTY PUBLIC HEALTH DEPARTMENT'S ("HCPH") WASTEWATER-BASED EPIDEMIOLOGY PROGRAM (THE "SURVEILLANCE PROGRAM")

The Committee next discussed the decisions reached by the Board of Directors of No. 264 and No. 144 relative to participation in HCPH's Surveillance Program. Mr. Appelget reported that the Board of Directors of No. 264 declined to participate in the HCPH Surveillance Program. Mr. Eby reported that HCPH did not make a presentation to No. 144, and he did not discuss the HCPH's request with the Board. Mr. Creed reminded the Committee that the District had already considered HCPH's request and indicated it was not interested in participating.

Following discussion, the Committee concurred that the WWTP no participate in the Surveillance Program and that SPH notify Harris County accordingly.

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

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 25, 2024, Board meeting. After discussion, Director Sanches moved that the July 25, 2024, Board meeting minutes be approved as written. Director Lange seconded said motion, which unanimously carried.

APPROVAL AND AUTHORIZATION OF THE FILING OF INTERNAL REVENUE SERVICE FORM 8038-G RELATIVE TO THE DISTRICT'S \$7,615,000 UNLIMITED TAX BONDS, SERIES 2024 (THE "BONDS")

Mr. Creed requested that the Board approve the execution and filing of Internal Revenue Service reporting form 8038-G relative to the District's Bonds. After discussion, Director Lange moved that the Board approve Form 8038G as presented, and SPH be authorized to file the document with the appropriate entities by the required deadline. Director Garcia seconded said motion, which unanimously carried.

REVIEW AND DISCUSSION OF CORRESPONDENCE FROM BOND COUNSEL REGARDING EXPENDITURE AND INVESTMENT OF BOND PROCEEDS AND INTERNAL REVENUE SERVICE RESTRICTIONS ON SAME

Mr. Creed next discussed with the Board correspondence from SPH, as Bond Counsel, regarding certain provisions of the federal tax law and regulations of the Internal Revenue Service pertaining to the expenditure and investment of proceeds of the Bonds, a copy of which is attached hereto as **Exhibit D**. He advised the Board that certain periodic reviews and reports are required to monitor compliance with the requirements set forth therein and that arbitrage rebate or yield reduction payments could be required to be made based on said review and reports. Mr. Creed also advised the Board that the District's bookkeeper would monitor investment rates and that the District's financial advisor would review the debt service fund balance and coverage in connection with the annual tax rate recommendation. Mr. Creed advised the Board, however, that compliance with the requirements is ultimately the responsibility of the Board.

APPROVAL AND EXECUTION OF AMENDMENT TO THE AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Creed next presented and discussed with the Board an Amendment to the Amended and Restated District Information Form (the "District Information Form") relative to the District's Bonds. After discussion regarding said Form, Director Lange moved that the amendment to the District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and the District. Director Garcia seconded said motion, which carried unanimously.

CONSIDER AND ACT UPON ANY OTHER MATTERS IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S BONDS

As the next order of business, the Board considered the approval of various documents to be executed by the Board in connection with the closing of the sale of the District's Bonds. In that regard, Mr. Creed discussed the various closing documents with the Board, including the No-Litigation Certificate, the District's Receipt, and a Federal Tax Certificate, and advised that the closing is scheduled for Tuesday, August 27, 2024, at 10:00 a.m. After discussion of the closing documents, it was moved by Director Lange, seconded by Director Garcia and unanimously carried that the above-referenced documents, and the Vice President and Secretary's execution of same on behalf of the Board and District, as well as SPH's delivery of same at the closing of the Bonds, be approved by the Board.

FINANCIAL ADVISOR'S 2024 TAX RATE RECOMMENDATION

The Board deferred the tax rate recommendation until its September Board meeting, pending the certification of the district's tax roll.

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

The Board considered the July 2024 HCSO Security Activity Report, a copy of which report is attached hereto as **Exhibit E**. A discussion ensued regarding whether the Board wanted to continue receiving both a hard copy of the report and an email copy of the report. After discussion, the Board concurred to receive the email version only.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT INVENTORY REPORT

Ms. Cooper presented to and reviewed with the Board the Bookkeeper's Report dated August 22, 2024, 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, with the exception of check number 15166 payable to Director Knight, and check number 15170 payable to Director Peters, which were voided. 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, 2024, 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 Garcia, 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.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin presented and reviewed the Tax Assessor/Collector's Report for July 31, 2024, including the disbursements presented for payment as listed therein, a copy of which report is attached hereto as **Exhibit G**. After discussion, Director Lange moved that said report be approved, that the disbursements identified in the report be approved for payment from the tax account. Director Sanches 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 and reviewed the Operations Report for the month of July 2024, a copy of which report is attached hereto as **Exhibit H** and discussed same with the Board.

Mr. Vaughn next presented to and reviewed with the Board the list of delinquent accounts for the prior month. He requested authorization to write off eight (8) delinquent accounts in the total amount of \$1,154.81, since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Sanches moved that MOC be authorized to write off eight (8) delinquent accounts in the total amount of \$1,154.81 as more fully set forth in the attached Operations and Maintenance Report, and as recommended by the District's Operator. Director Garcia seconded said motion, which unanimously carried.

Mr. Vaughn then informed the Board of a TCEQ water plant inspection is scheduled for September 3, 2024.

REVIEW OF WATER CONSERVATION PLAN

Mr. Creed presented to and reviewed with the Board a revised Water Conservation Plan (the "WCP"). After discussion of the WCP and the recommended revisions thereto, Director Sanches moved that the District approve the revised WCP and adopt the associated Resolution Regarding Review of Water Conservation Plan (the "Resolution"). Director Garcia seconded such motion, which unanimously carried. Copies of the approved Resolution and WCP are attached hereto as **Exhibit I**.

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**.

Ms. Broom next presented to and reviewed with the Board summary of the allocation of the remaining bond funds and associated costs. A copy of the report is attached to the Engineering Report.

Ms. Broom next presented to and requested Board authorization for the execution of the Waterline Replacement Project (the "WL Replacement Project") construction contract between the District and SKE Construction, LLC ("SKE") in the amount of \$3,547,767.00. Mr. Creed noted that SPH has no objection to execution of the contract, subject to the replacement of the current payment and performance bonds with the corrected form of payment and performance bonds.

Ms. Broom then presented to and reviewed with the Board the draft Fiscal Year End 2025 Capital Improvement Plan, a copy of which is attached to the Engineering Report. She requested that the Board review the draft plan and advise her by the second week of September of any new allocations to be included in the revised plan, which will then be presented at the September Board meeting.

After discussion, Director Lange moved to authorize the execution of the WL Replacement Project construction contract between the District and SKE in the amount of \$3,547,767.00, subject to the referenced replacement of bonds. Director Garcia seconded said motion, which unanimously carried.

DRAINAGE FACILITY MAINTENANCE REPORT

Mr. Cocke next presented to and reviewed with the Board a Maintenance Report prepared by DOE dated August 23, 2024, a copy of which report is attached hereto as **Exhibit K**.

Mr. Cocke next presented to and reviewed with the Board a modified 2025 Maintenance Schedule for: detention pond maintenance, Storm Water Quality ("SWQ") permit renewal and SWQ feature cleaning in Sections 11 through 13, 18 and 19. After discussion, Director Lange moved to approve the 2025 Maintenance Schedule as presented in the amount of \$25,345.00. Director Sanches seconded said motion, which unanimously carried. A copy of the approved Maintenance Schedule is attached to the Double Oak Erosion Maintenance and Inspection Report.

UTILITY COMMITMENTS

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

STATUS REPORT FROM GFL ENVIRONMENTAL REGARDING GARBAGE COLLECTION SERVICE

Mr. Creed presented and reviewed with the Board the Green for Life Customer Service Report, a copy of which is attached hereto as **Exhibit L**.

DISTRICT WEBSITE

The Board deferred consideration of an Off Cinco Analytics Report, as no report was provided for distribution at the meeting. Director Lange suggested doing a Public Service Announcement once the WL Replacement Project begins.

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 nothing new to report at this time.

ATTORNEY'S REPORT

The Board 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.

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.

Mr. Creed noted that the Board will be able to discuss the scheduling of a "Bonds 101" program for Directors next month when the District's financial advisor attends the meeting.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director. Sanches, 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 District Bond Counsel Letter
- Exhibit E HCSO Security Activity Report
- Exhibit F Bookkeeper's Report and Quarterly Investment Report
- Exhibit G Tax Assessor/Collector's Report
- Exhibit H Operations Report
- Exhibit I Resolution Regarding Review of Water Conservation Plan and Water Conservation Plan
- Exhibit J Engineering Report
- Exhibit K Double Oak Erosion Maintenance and Inspection Report
- Exhibit L Green for Life Customer Service Report