

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

Also present at the meeting were: Sherri Greenwood of Forvis Mazars, LLP ("Forvis"); Chase Eastland of Masterson Advisors, LLC ("Masterson"); Mason Mueller of Cobb Fendley & Associates, Inc. ("Cobb Fendley"); Darrell Hawthorne 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"); Russ Appelget of Harris County Municipal Utility District No. 264 ("No. 264"); Calvin Williams, Jr. of Harris County Municipal Utility District No. 257 ("No. 257"); 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 August 22, 2024, Board meeting were considered. No revisions were requested to said minutes.

ENGINEERING REPORT

Mr. Mueller presented a written Engineering Report for the Joint Sewage Treatment Plant Committee Meeting, a copy of which report is attached hereto as **Exhibit A**. No action thereon was taken by the Board.

The Committee concurred to schedule the annual plant tour for Friday, November 8, 2024.

OPERATIONS REPORT

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

BOOKKEEPER'S REPORT

Mr. Hawthorne presented to and reviewed with the Board the JSTP Bookkeeper's Report for September 26, 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 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, 2025

The Board considered the adoption of an operating budget for the JSTP for the District's fiscal year ending September 30, 2025. 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. After further discussion, Director Sanches moved that the operating budget for the JSTP for the fiscal year ending September 30, 2025, 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, 2024. 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 \$2,900 for the JSTP audit, and \$21,900 for the general audit, plus an administrative fee of approximately \$1,100 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 Peters 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, 2024, 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 Sanches 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. A discussion then ensued regarding the scheduling of the next Board meeting. After discussion, the Board concurred to meet one day earlier than the regular meeting date on Wednesday, October 23, 2024, at 6:30 p.m.

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. Williams informed the Board of a request from the New Life Church (the "Church"), located at 18525 FM 529, for water and sanitary sewer services for its proposed Church expansion. Mr. Williams presented to and reviewed with the Board the proposed expansion site layout, a copy of which is attached hereto as **Exhibit E**, and advised the Board that the Church is making a similar request to Harris County Municipal Utility District No. 144 ("No. 144"). Mr. Williams noted that the project is contingent upon securing water and sewer services prior to starting construction. After discussion, the Board requested Mr. Williams to work with the District's engineer and to provide all requested information in order that the District may determine whether capacity is available and the appropriate terms for providing same. The Board requested that this item be added to the October agenda for further consideration.

Mr. Appelget exited the meeting at this time.

MINUTES

The Board considered approving the minutes of the District's August 22, 2024, Board meeting. After discussion, Director Lange moved that the August 22, 2024, Board meeting minutes be approved as written. Director Peters seconded said motion, which unanimously carried.

FINANCIAL ADVISOR'S 2024 TAX RATE RECOMMENDATION

There followed a discussion concerning the requirements for notice of the District's intention to adopt a 2024 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 2024 Debt Service Tax Rate Recommendation prepared by Masterson for the District, a copy of which is attached hereto as **Exhibit F**, and discussed same with the Board. She then discussed Masterson's recommendation regarding the proposed 2024 debt service tax rate and maintenance tax rate with the Board and advised that Masterson is initially recommending a proposed 2024 debt service tax rate of \$0.26 per \$100 of assessed valuation and a proposed 2024 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 2024 debt service tax rate of

\$0.26 and a maintenance tax rate of \$0.25. Director Garcia moved that the Board indicate its intention to set a total tax rate of \$0.51 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 2024 tax rate at its next meeting in the form and at the time required by law in the *Houston Chronicle*. Director Lange seconded said motion which unanimously carried.

The Board requested that a Masterson's representative attend next month's meeting with an analysis of the impact to the District of adopting a fifteen percent (15%) homestead tax exemption.

"BONDS 101" PROGRAM

The Board next discussed when to schedule a "Bonds 101" program for Directors. After discussion, the Board requested SPH to include on the next agenda an item to designate MOC's office as a meeting place outside the District and to propose some dates to consider in January 2025 for this program.

BOOKKEEPER'S REPORT

Mr. Hawthorne presented to and reviewed with the Board the Bookkeeper's Report dated September 26, 2024, 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, with the exception of check number 15203, which was voided. Director Lange seconded said motion, which unanimously carried.

ADOPTION OF BUDGET FOR FYE SEPTEMBER 30, 2025

Mr. Hawthorne presented to and reviewed with the Board a proposed operating budget for the District's fiscal year ending September 30, 2025 (the "2025 Budget"), a copy of which is attached to the Bookkeeper's Report, and discussed same with the Board. The Board requested that expense item 16729 entitled "Community Support" be revised to reflect a 2025 budgeted amount of \$5,000.00. After discussion, Director Sanches moved that the budget for the District's fiscal year ending September 30, 2025, be adopted by the Board and District, as revised. Director Lange seconded said motion, which unanimously carried. A copy of the approved 2025 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, 2024, 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, that the disbursements identified in the report be approved for payment from the tax account. 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 and reviewed the Operations Report for the month of August 2024, a copy of which report is attached hereto as **Exhibit I** 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 six (6) delinquent accounts in the total amount of \$754.46, since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Peters moved that MOC be authorized to write off six (6) delinquent accounts in the total amount of \$754.46 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 reported that the necessary lead and copper inventories have been submitted to the Texas Commission on Environmental Quality (the "TCEQ") on August 9, 2024, and the TCEQ accepted the submission on August 15, 2024, a copy of which acceptance is attached hereto as **Exhibit J**. Mr. Vaughn went on to report that the District has no lead service lines or galvanized service lines requiring replacement. The District has found no evidence of the use of lead service lines: (i) in the system records, including distribution system maps and drawings, historical records, meter installation records, inspections and records of the distribution system that indicate the material composition, or (ii) when reading water meters or performing maintenance activities in the course of normal system operations. The District has completed a lead and copper inventory and through field investigation of the distribution system, it has been determined that the system has no lead service lines or galvanized requiring replacement service lines.

Mr. Vaughn then reported the receipt of an appeal from a resident to waive the late fee assessed on a late utility payment. After discussion, the Board concurred to decline the request.

ENGINEERING REPORT

Ms. Mueller 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**.

Mr. Mueller next presented to and reviewed with the Board a proposed Notice of Construction, prepared by SKE Construction, LLC ("SKE") for the Water Line Replacement Project in the Paddock subdivision, a copy of which is attached to the Engineering Report. A discussion ensued regarding the addition of the fire hydrant repair project to the Water Main Replacement Project. After discussion, the Board concurred to defer the matter at this time. The Board requested that the contractor notice be added to the District's website and authorized Director Lange to coordinate same.

Mr. Mueller then inquired whether the Board wished to hear a presentation from Accurate Meter & Supply ("AMS") regarding its smart meter installation and monitoring program. After discussion, the Board authorized Cobb Fendley to coordinate the AMS Smart Meter presentation.

Mr. Mueller next reported the receipt of a request from Kinder Morgan for authorization to disburse the dirt generated from its construction project on the District's land located near the construction site. After discussion, the Board concurred to grant Kinder Morgan's request, subject to: (i) the District's engineer confirming what type of construction project Kinder Morgan is working on; (ii) confirming the amount of dirt to be relocated; and (iii) confirming that the dirt will be evenly disbursed over the site.

The Board next re-visited the earlier discussion regarding the request from the Church for water and sanitary sewer services for its proposed expansion. The Board authorized Cobb Fendley to: (i) contact Mr. Eby to ask if No. 144 is able to provide service to the Church; and (ii) determine the Church's capacity requirements and related service costs for discussion at the November Board meeting.

DRAINAGE FACILITY MAINTENANCE REPORT

Mr. Creed presented to and reviewed with the Board Storm Water Quality Feature Inspection Reports for Sections 11 through 13, 18 and 19, as prepared by Double Oak Erosion, dated September 9, 2024, copies of which reports are attached hereto as **Exhibit L**.

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

The Board deferred the consideration of the Green for Life Customer Service Report, as no report was provided for distribution at the meeting.

DISTRICT WEBSITE

Mr. Creed presented the Off Cinco Analytics Report to the Board for consideration, a copy of the report being attached hereto as **Exhibit M**.

COMMUNICATIONS WITH HOMEOWNER'S ASSOCIATIONS ("HOA")

Director Lange reported that he has not yet been able to connect with the Paddock HOA to discuss the Water Line Relocation Project.

ATTORNEY'S REPORT

The Board next considered the attorney's report. Mr. Creed reminded the Board that the regular November meeting falls on Thanksgiving Day and will need to be rescheduled. The Board then discussed the December meeting. After discussion, the Board concurred to reschedule: (i) the November meeting to Thursday, November 21, 2024, at 6:30 p.m.; and (ii) the December meeting to Thursday, December 19, 2024, at **5:30** p.m.

The Board then discussed the holiday dinner to be held after its December meeting. Mr. Creed requested that the Board think about potential venues for the dinner.

EXECUTIVE SESSION

At 8:05 p.m. the President announced that the Board would enter into Closed Session pursuant to Texas Government Code Section 551.071 to discuss agenda item 17(a).

RECONVENE IN OPEN SESSION

At 8:32 p.m. the Board reconvened in Open Session. Following discussion, Director Lange moved that the District not "opt out" of the Tyco and BASF Class Action Settlements relating to the presence of PFAS in water sources. Director Peters seconded the motion, which carried unanimously.

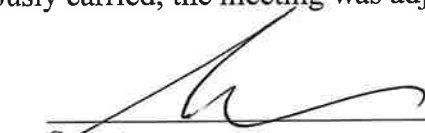
No other action was taken in Open Session relative to the matters discussed in Closed Session.

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 Peters 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 Audit Engagement Letter
- Exhibit E New Life Church Proposed Expansion Site Layout
- Exhibit F 2024 Debt Service Tax Rate Recommendation
- Exhibit G Bookkeeper's Report and Approved Annual Budget for Fiscal Year End 2024
- Exhibit H Tax Assessor/Collector's Report
- Exhibit I Operations Report
- Exhibit J Service Line Inventory Form for Public Water Systems - TCEQ Approval of Same
- Exhibit K Engineering Report
- Exhibit L Double Oak Erosion Storm Water Quality Feature Inspection Reports
- Exhibit M Off Cinco Analytics Report