

MINUTES OF MEETING OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,
OF HARRIS COUNTY, TEXAS
January 23, 2025

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 January 23, 2025, 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 Sanches and Knight, thus constituting a quorum. Director Knight entered later in the meeting, as noted herein.

Also present at the meeting were: Sherri Greenwood of Forvis Mazars, LLP ("Forvis"); Debbie Shelton of Masterson Advisors LLC ("Masterson"); Rachel Broom of Cobb Fendley & Associates, Inc. ("CobbFendley"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MAC"); Ryan Vaughn of Municipal Operations & Consulting, Inc. ("MOC"); Brenda McLaughlin of Bob Leared Interests ("BLI"); Dennis Eby of Eby Engineers Inc. ("Eby Engineers"), District 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 PLANT COMMITTEE (THE "COMMITTEE") MEETING MINUTES

The Joint Sewage Treatment Plant Committee portion of the minutes of the District's December 19, 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 ("JSTP Engineering Report"), a copy of which report is attached hereto as **Exhibit A**.

Ms. Broom reported that an inspection was completed on Clarifier No. 1 on January 15, 2025, and based on that inspection, Ms. Broom recommended that the Board authorize CobbFendley to begin work on the Clarifier No. 1 Rehab Project, in the estimated amount of \$107,100. A discussion ensued and Mr. Eby raised certain questions about the project. Mr. Eby requested: (i) he be provided copies of operator reports concerning the plant's prior discharges over the last five (5) years for review before the February Board meeting; and (ii) that the Board defer its decision regarding the Clarifier No. 1 Project until the February Board meeting. After discussion, the Committee agreed to defer further discussion on the matter until the February Board meeting.

Ms. Broom next presented to and reviewed with the Committee the draft Capital Improvement Plan (the "CIP"), a copy of which is attached to the JSTP Engineer's Report. After

discussion, the Committee concurred to defer further discussion on the matter at this time. They noted the Clarifier No. 1 Rehab Project would be re-evaluated next month and that if it were not initiated in 2025 then the lift station wet well project would be moved to 2025.

OPERATIONS REPORT

Mr. Vaughn presented and reviewed the Joint Plant Operations Report for the month of December 2024, a copy of which report is attached hereto as **Exhibit B** and discussed same with the Board. No action was taken.

Mr. Vaughn next reported that MOC was monitoring the District's facilities before and during the freeze events on Tuesday, January 21, 2025, and Wednesday, January 22, 2025. He noted that the District did not sustain any damage to its facilities during the freeze events.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board the Joint Plant Bookkeeper's Report for January 23, 2025, a copy of which report is attached hereto as **Exhibit C**, including the disbursements presented for payment. Mr. Eby requested the back up to the checks that were sent. After discussion, it was moved by Director Lange that the Joint Plant Bookkeeper's Report be approved and that the disbursements identified in the report be authorized for payment. Director Peters seconded said motion, which unanimously carried.

AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2024

Ms. Greenwood presented to and reviewed with the Board a draft of the District's audit report prepared for the fiscal year ended September 30, 2024, including information concerning the Joint Sewage Treatment Plant, and discussed various sections of the audit report with the Board and other attendees. The draft audit report is attached hereto as part of **Exhibit D**. In connection therewith, Ms. Greenwood presented the Board with a draft Management Letter prepared by Forvis, concerning the Board's internal controls over financial reporting (the "Management Letter"), a copy of which is attached hereto as part of **Exhibit D**. Ms. Greenwood advised the Board that the Management Letter is being submitted in connection with the requirements of Statement on Auditing Standards No. 115 and includes a Management's Response to said letter in a format approved by SPH. Ms. Greenwood additionally presented for the Board's review draft correspondence from Forvis, a copy of which correspondence is attached hereto as part of **Exhibit D**, summarizing various information that Forvis is required to communicate to the Board as part of its audit of the District's financial statements. After discussion, it was moved by Director Lange, seconded by Director Garcia and unanimously carried that (i) the audit report for the fiscal year ended September 30, 2024, be approved subject to final review of same by SPH, (ii) the President be authorized to execute the Annual Filing Affidavit on behalf of the Board and the District and (iii) such audit report and Annual Filing Affidavit be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality ("TCEQ").

AUTHORIZE SOLICITATION OF PROPOSALS FOR INSURANCE POLICIES

The Board and Committee next considered authorizing the solicitation of proposals for the renewal of the District's insurance policies. Mr. Creed advised the Board that the District's current insurance policies, brokered through McDonald & Wessendorff ("McDonald"), will expire on March 31, 2025. He then queried the Board as to whether it wanted to solicit proposals from other insurance providers at this time. After discussion, Director Peters moved to authorize SPH to solicit a proposal for the renewal of the District's insurance policies from McDonald for consideration at the February Board meeting. Director Lange seconded the motion, which unanimously carried.

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.

Mr. Eby and Mr. Appelget 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 December 19, 2024, Board meeting. After discussion, Director Lange moved that the December 19, 2024, Board meeting minutes be approved as written. Director Peters seconded said motion, which unanimously carried.

AMS SMART METER PROJECT

Mr. Creed presented to and reviewed with the Board the AMS proposal regarding the AMS/Badger Meter smart meters, a copy of which is attached hereto as **Exhibit E**.

Ms. Broom queried the Board as to what projects it would like to undertake in 2025. After discussion, the Board concurred to replace the District's fire hydrants and install smart meters. Ms. Broom then presented to and reviewed with the Board a District Fire Hydrant Map, a copy of which is attached hereto as **Exhibit F** and discussed how to fund the replacement of the fire hydrants. After discussion, Director Lange moved to: (i) authorize CobbFendley to prepare a change order to the Waterline Replacement Project for the replacement of all fire hydrants installed before 2005 for Board consideration; and (ii) authorize CobbFendley to design for advertisement for bids a project for the replacement of fire hydrants installed after 2005 for Board consideration. Director Garcia seconded said motion, which unanimously carried.

REVIEW CONTINUING DISCLOSURE REPORT AND AUTHORIZE CONTINUING DISCLOSURE COUNSEL TO FILE THE REPORT WITH THE APPROPRIATE REPOSITORIES

The Board concurred to defer consideration of the District's Continuing Disclosure Report until the February Board meeting.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Creed informed the Board that, pursuant to the provisions of Chapter 403, Texas Government Code, and Chapter 203, Texas Local Government Code, the District is required to submit information to the Comptroller for inclusion in a Special Purpose District Public Information Database. Mr. Creed recommended that Forvis, the District's auditor, be authorized to prepare and submit the information, which work will be performed on an hourly basis at their standard rates. Following discussion, Director Lange moved, Director Garcia seconded, and it was

unanimously carried that Forvis be authorized to prepare the required information and submit same to the Comptroller for inclusion in its Special Purpose District Public Information Database.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board the Bookkeeper's Report dated January 23, 2025, a copy of which report is attached hereto as **Exhibit G**, including the disbursements listed therein. After discussion, it was moved by Director Peters that the report be approved and that the disbursements identified in the report be authorized for payment. 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 December 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 Peters 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.

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 January 23, 2025, a copy of which Report is attached hereto as **Exhibit I**. No action was required by the Board at this time.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Shelton presented to and reviewed with the Board a 2025 Homestead Exemption Analysis prepared by Masterson, a copy of which is attached hereto as **Exhibit J**, and responded to questions from the Board.

Mr. Creed outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that pursuant to said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the appraised value of residential homestead improvements for the year 2025. He reported that the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2025, and if any such exemptions are granted, they must be for not less than \$3,000 of the appraised value of such homesteads. After further discussion of the matter, Director Lange moved that the District (a) grant the residential homestead exemption in an amount of fifteen percent (15%), but not less than \$5,000; and (b) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$20,000 from ad valorem taxes levied by the District during the calendar year 2025, and that the Resolution attached hereto as **Exhibit K**, relative to same be approved and adopted by the Board and the District. Director Garcia seconded said motion, which carried unanimously.

Director Peters noted that the Board will re-evaluate the homestead exemption level in three (3) years.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which is attached hereto as **Exhibit L**. Mr. Creed advised that the Board is authorized pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in said Resolution. After discussion, it was moved by Director Peters, seconded by Director Lange and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board, and that the District's delinquent tax collection attorneys be authorized to proceed with the collection of the District's 2024 delinquent personal property accounts following proper notice as provided in said Resolution, including the filing of lawsuits, as necessary.

OPERATIONS REPORT

Mr. Vaughn presented and reviewed the Operations Report for the month of December 2024, a copy of which report is attached hereto as **Exhibit M** and discussed same with the Board.

Mr. Vaughn next presented to and reviewed with the Board the list of delinquent accounts. He requested authorization to write off six (6) delinquent accounts in the total amount of \$1,859.59, 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 \$1,859.59 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 next presented and reviewed with the Board the application for the District's participation in the Association of Water Board Directors Water Smart Program. After discussion on the matter, Director Peters moved that the District participate in the program and that the appropriate officers be authorized to complete the application. Director Garcia seconded the motion, which unanimously carried.

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 N**.

Ms. Broom next requested payment of Pay Estimate No. 3 in the amount of \$367,042.95 payable to SKE Construction, LLC ("SKE") for work completed on the Waterline Replacement Project. After discussion, Director Peters moved to approve Pay Estimate No. 3 in the amount of \$367,042.95 payable to SKE. Director Lange seconded said motion, which unanimously carried. A copy of the pay estimate is attached to the Engineering Report.

Mr. Broom then presented to and reviewed with the Board the CIP. She noted that the CIP will be revised to reflect the start of the fire hydrant project and the smart meter installation project in fiscal year end 2025 and the change to the homestead exemption from ten (10) percent to fifteen (15) percent.

DRAINAGE FACILITY MAINTENANCE REPORT

The Board deferred consideration of a Maintenance Report from Double Oak Erosion as

no report was provided for review.

UTILITY COMMITMENTS AND SERVICE REQUESTS

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 report for the month of December 2024 and Call Log, copies of such report and log being attached hereto as **Exhibit O**.

DISTRICT WEBSITE

The Board deferred consideration of the District's website report.

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.

ORDER ESTABLISHING POLICY FOR COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY

The Board next considered the Attorney's Report. Mr. Creed recommended the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology (the "Technology Policy"). He advised that Senate Bill 1893, as passed during the 88th Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Creed noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Creed further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Peters moved that the Technology Policy be adopted, and that the President and Secretary be authorized to execute the Technology Policy. Director Lange seconded said motion, which unanimously carried." A copy of the Technology Policy is attached hereto as **Exhibit P**.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. The Board deferred discussion regarding PFAS related to class action litigation and settlements.

FUTURE AGENDA MATTERS

The Board then 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 Garcia, 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 Joint Plant Operations Report
- Exhibit C Joint Plant Bookkeeper's Report
- Exhibit D Draft Audit Report, Draft Management Letter and Correspondence
- Exhibit E AMS Proposal
- Exhibit F District Fire Hydrant Map
- Exhibit G Bookkeeper's Report
- Exhibit H Tax Assessor/Collector's Report
- Exhibit I Delinquent Tax Collection Report
- Exhibit J Masterson Advisors 2025 Homestead Exemption Analysis
- Exhibit K Resolution Concerning Exemptions from Taxation
- Exhibit L Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- Exhibit M Operations Report
- Exhibit N Engineering Report
- Exhibit O GFL Environmental Report, Call Log and Service Collection Guide
- Exhibit P Order Establishing Policy for Covered Applications and Prohibited Technology