

MINUTES OF MEETING OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,
OF HARRIS COUNTY, TEXAS
February 27, 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 February 27, 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 Peters and Knight, thus constituting a quorum. Director Knight entered later in the meeting, as noted herein.

Also present at the meeting were: Sam Cocke of Double Oak Erosion ("DOE"); 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"); and Spencer Creed of Schwartz, Page & Harding, L.L.P. ("SPH"). Darrell Hawthorne of MAC entered later in the meeting, as noted herein.

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 January 23, 2025, 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**.

A discussion ensued regarding the Lift Station Rehabilitation Project (the "Project"). Ms. Broom explained the Project cost and components have been modified due to the recent failure of certain equipment at the lift station and the need to repair same. She reported that the Project will now include the replacement of the rails and piping for an estimated cost of \$35,000, and the replacement of the two (2) pumps for an estimated cost of \$40,000. Ms. Broom further reported

that the Project meets the requirements for an emergency repair under the Texas Commission on Environmental Quality's (the "TCEQ") rules and noted that under emergency repair status the Project will not need to be publicly bid. Ms. Broom advised that she has filed a request with the TCEQ that the District be allowed to proceed with the project on an emergency basis. She then reported that STP Services has provided an acceptable bid for the Project in the amount of \$75,000. After discussion, Director Lange moved to authorize the repairs to the Lift Station as discussed and to ratify CobbFendley's submittal of a request for waiver of the public bidding requirements to the TCEQ. Director Sanches seconded the motion, which unanimously carried.

OPERATIONS REPORT

Mr. Vaughn presented and reviewed the Joint Plant Operations Report for the month of January 2025, a copy of which report is attached hereto as **Exhibit B** and discussed same with the Board. No action was taken.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board the Joint Plant Bookkeeper's Report for February 27, 2025, a copy of which report is attached hereto as **Exhibit C**, including the disbursements listed therein. After discussion, it was moved by Director Sanches that the Joint Plant 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.

RENEWAL OF DISTRICT INSURANCE POLICIES

Mr. Creed next presented to and reviewed with the Board an insurance renewal proposal prepared by McDonald & Wessendorff Insurance ("McDonald"), for the 2025-2026 policy period (the "Proposal"). After discussion, it was moved by Director Lange, seconded by Director Sanches and unanimously carried, that: (i) the Board accept the Proposal from McDonald for the renewal of the District's insurance policies and bonds; (ii) the Board decline the optional coverage for cyber liability, workers compensation, and peace officer bond; (iii) the Vice President be authorized to execute such document on behalf of the Board and the District; and (iv) the District accept McDonald's Texas Ethics Commission Form 1295 relative to the Proposal. The accepted Proposal is attached hereto as **Exhibit D**.

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 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 January 23, 2025, Board meeting. After discussion, Director Garcia moved that the January 23, 2025, Board meeting minutes be approved as written. Director Lange seconded said motion, which unanimously carried.

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

Mr. Creed presented for the Board's review an Annual Financial and Operating Report pursuant to SEC Rule 15c2-12 relative to the District's outstanding bonds. In connection therewith, Mr. Creed presented correspondence from Ms. Niki Hill of McCall Parkhurst & Horton ("McCall"), the District's disclosure counsel, evidencing McCall's intentions to file the Annual Report with the appropriate agencies. A copy of the Annual Report is attached hereto as **Exhibit E**. After discussion on the matter, Director Sanches moved that McCall be authorized to file the report with the appropriate repositories. Director Lange seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT AND QUARTERLY INVESTMENT REPORT

Ms. Cooper presented to and reviewed with the Board the Bookkeeper's Report dated February 27, 2025, a copy of which report is attached hereto as **Exhibit F**, including the disbursements listed therein. After discussion, it was moved by Director Lange 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.

Ms. Cooper next presented to and reviewed with the Board a Quarterly Investment Inventory Report, which had been prepared by MAC for the reporting period ending December 31, 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 Lange, seconded by Director Sanches 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.

Darrell Hawthorne entered the meeting during the discussion of the Bookkeeper's Report.

APPROVAL OF CLIENT SERVICES AGREEMENT WITH HRP FOR PAYROLL PROCESSING SERVICES

Mr. Hawthorne reminded the Board that MAC offers direct deposit service for director per diem and expense reimbursement payments through HR&P, Inc. ("HRP"), a third-party payroll provider. Following discussion on the matter, the Board concurred to accept direct deposit of per diems and expense reimbursements. He then presented and reviewed with the Board a proposed Client Services Agreement (the "CSA") between the District and HRP relative to direct deposit of director per diem and expense reimbursement payments. Following discussion, Director Garcia moved to approve the CSA and authorize the Vice President to execute the CSA with HRP, subject to the receipt of an executed TEC Form 1295 by SPH. Director Sanches seconded the motion, which passed unanimously. A copy of the approved CSA is attached hereto as **Exhibit G**.

RESOLUTION AUTHORIZING ELECTRONIC TRANSFER OF FUNDS

The Board next considered adoption of a Resolution Authorizing Electronic Transfer of Funds for Director Per Diems and Expense Reimbursements, a copy of which Resolution is attached hereto as **Exhibit H**. Mr. Creed explained that Section 49.151 of the Texas Water Code authorizes the Board, by resolution, to allow for disbursements of District funds to be transferred by electronic means. He further explained that the subject resolution would allow for electronic transfer of funds to HRP for the sole purposes of direct deposit of director per diems and expense reimbursements, associated payroll tax payments to the IRS, and payment of processing fees to HRP. Director Garcia then moved that the Resolution Authorizing Electronic Transfer of Funds for Director Per Diems and Expense Reimbursements be adopted. Director Sanches seconded the motion, which passed unanimously.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. McLaughlin presented and reviewed the Tax Assessor/Collector's Report for January 31, 2025, including the disbursements presented for payment as listed therein, a copy of which report is attached hereto as **Exhibit I**. After discussion, Director Lange moved that said report be approved and that the disbursements identified in the report be approved for payment from the tax account. Director Garcia seconded said motion, which unanimously carried.

DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR

Mr. Creed reminded the Board of the procedures applicable to the adoption of the District's tax rate will depend, in part, upon whether the District is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Creed then reviewed with the Board a worksheet completed by CobbFendley to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2025 Tax Year. A copy of the Resolution is attached hereto as **Exhibit J**. Following discussion, upon motion made by Director Garcia, seconded by Director Sanches, and unanimously carried, the attached Resolution was adopted by the Board memorializing that the District shall be considered a Developed District for all purposes.

DELINQUENT TAX COLLECTIONS ATTORNEY'S REPORT

Mr. Creed advised the Board that the District did not receive a Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott, LLP, the District's delinquent tax collections attorneys, for the month of January.

OPERATIONS REPORT

Mr. Vaughn presented and reviewed the Operations Report for the month of January 2025, a copy of which report is attached hereto as **Exhibit K** and discussed same with the Board.

The Board next considered authorizing MOC to provide required information to districts receiving water from the District relative to the recipient's preparation of Consumer Confidence Reports ("CCR"). The Board next considered authorizing MOC to prepare a draft CCR. Mr. Creed explained that pursuant to CCR requirements promulgated by the United States Environmental Protection Agency, the District is required to provide by April 1, 2025, a report containing various information regarding the District's water supply to any other water supplier which has received water from the District during the prior calendar year. After discussion, it was moved by Director Lange, seconded by Director Sanches, and unanimously carried, that the Board authorize MOC to: (i) provide the required information to districts receiving water from the District relative to the preparation of CCRs; and (ii) prepare the District's CCR and distribute it to consumers before the July 1, 2025 deadline, subject to SPH's final review.

RATIFICATION OF PRIOR APPROVAL OF RESOLUTION APPROVING SUBMITTAL OF WATER SMART APPLICATION FOR INCLUSION IN THE ASSOCIATION OF WATER BOARD DIRECTORS WATER SMART PARTNERS PROGRAM

The Board next considered the ratification of its prior action regarding the approval of an Application for inclusion in the Association of Water Board Directors Water Smart Partners Program (the "Water Smart Application"), and to authorize the President or Vice President and Secretary to execute same. After discussion, Director Lange moved that the Board's prior action regarding the approval of the Water Smart Application be ratified and approved in all respects. Director Sanches seconded said motion, which carried unanimously.

Director Knight entered the meeting during the above discussion.

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**.

Ms. Broom next requested payment of Pay Estimate No. 4 in the amount of \$502,413.20 payable to SKE Construction, LLC ("SKE") for work completed on the Waterline Replacement Project and Change Order No. 1 in the amount of \$823,379.00 for replacement of the District fire hydrants older than twenty years. After discussion, Director Lange moved to approve Pay Estimate No. 4 in the amount of \$502,413.20 and Change Order No. 1 in the amount of \$823,379.00 payable

to SKE. Director Sanches seconded said motion, which unanimously carried. Copies of the pay estimate and change order are attached to the Engineering Report.

Ms. Broom then presented and reviewed with the Board proposals for engineering services associated with the Fire Hydrant Replacement Project (for replacement of District fire hydrants less than twenty years old) and the Smart Meter Installation Project (collectively, the "Proposals"). A discussion ensued regarding the funding for the projects. In response to an inquiry from Mr. Creed, Ms. Broom confirmed that the manufacturer of the smart meters represents a sole source vendor for the project and that it would not be practical to obtain competitive bids. After discussion, the Board concurred to defer consideration of the Proposals until the next Board meeting. Copies of the Proposals are attached to the Engineering Report.

SMART METER INSTALLATION AND ADOPTION OF RESOLUTION AUTHORIZING USE OF SURPLUS CONSTRUCTION FUNDS AND INTEREST EARNED ON CONSTRUCTION FUNDS

The Board next deferred the consideration of the Smart Meter Installation and adoption of a Resolution Authorizing Use Of Surplus Construction Funds and Interest Earned on Construction Funds until the next Board meeting.

DRAINAGE FACILITY MAINTENANCE REPORT

Mr. Cocke next presented to and reviewed with the Board a Maintenance Report prepared by DOE dated February 27, 2025, a copy of which report is attached hereto as **Exhibit M**.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Creed reported that SPH is recommending that the District adopt the wage rate scales as determined by the United States Department of Labor ("DOL"), in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a *et seq.*). After discussion on the matter, Director Sanches moved that the DOL wage rate scales be adopted as the District's prevailing wage rate scale for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, a copy of which Resolution is attached hereto as **Exhibit N**, be adopted by the Board. Director Lange seconded said motion, which unanimously carried.

UTILITY COMMITMENTS AND SERVICE REQUESTS

Ms. Broom next reported that New Life Church (the "Church") has requested a payment plan for the payment of construction-related expenses, such as the out-of-district tap fee, related professional fees, and construction costs associated with the project. She then presented and reviewed with the Board a chart reflecting three (3) payment plan options for Board consideration, a copy of which is attached to the Engineer's Report. After discussion, Director Lange moved to

approve a thirty-six (36) month payment plan, which will require the Church to: (i) make one initial upfront payment in the amount of \$10,000.00 for consultant fees associated with preparation of the contract; (ii) make one payment at the time of construction in the estimated amount of \$32,317.00 for initial construction costs; and (iii) to make monthly payments over the next thirty-six months in the amount of \$787.21 (for the payment of the \$23,339.65 Out of District Tap Fee), and \$362.36 (to fund \$13,045.00 of additional construction costs). Director Garcia seconded the motion, which unanimously carried.

GFL ENVIRONMENTAL STATUS REPORT

Mr. Creed presented to and reviewed with the Board GFL Environmental's report for the month of January 2025, a copy of such report 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.

ATTORNEY'S REPORT

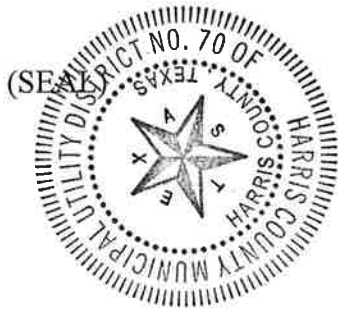
The Board next considered the Attorney's Report. In connection therewith, Mr. Creed discussed with the Board the District's status as a class member under the Tyco and BASF class action settlements concerning per- and polyfluoroalkyl substances ("PFAS"). In connection therewith, Mr. Creed advised that the deadline for filing a claim under both the Tyco and BASF class action settlements is April 8, 2025. He noted that the amount of the District's potential recovery under the claims is uncertain at this time, and will be impacted by such factors as its PFAS test results and water system flow data compared to that of other claimants and the total number of claims filed. Mr. Creed stated that SPH recommends the District file claims to protect its potential recovery, and that SPH is prepared to submit such claims subject to the Board's authorization. Following discussion, Director Lange moved that SPH be authorized to submit claim(s) on behalf of the District. Director Sanches seconded the motion, which unanimously carried.

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 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	Joint Plant Operations Report
Exhibit C	Joint Plant Bookkeeper's Report
Exhibit D	McDonald & Wessendorff 2025-2026 Insurance Proposal
Exhibit E	Annual Financial and Operating Report pursuant to SEC Rule 15c2-12
Exhibit F	Bookkeeper's Report and Quarterly Investment Report
Exhibit G	Client Services Agreement
Exhibit H	Resolution Authorizing Electronic Transfer of Funds for Director Per Diems and Expense Reimbursements
Exhibit I	Tax Assessor/Collector's Report
Exhibit J	Resolution Concerning Developed District Status for the 2025 Tax Year
Exhibit K	Operations Report
Exhibit L	Engineering Report
Exhibit M	Double Oak Erosion Maintenance and Inspection Report
Exhibit N	Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
Exhibit O	GFL Environmental Report