

MINUTES OF MEETING OF
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 70,
OF HARRIS COUNTY, TEXAS
October 23, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 70, of Harris County, Texas (the "District") met in special session on October 23, 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 Sanches and Knight, thus constituting a quorum. Director Knight entered later in the meeting, as noted herein.

Also present at the meeting were: Debbie Shelton of Masterson Advisors, LLC ("Masterson"); Rachel Broom of Cobb Fendley & Associates, Inc. ("Cobb Fendley"); Darrell Hawthorne of Municipal Accounts & Consulting, L.P. ("MAC"); Ryan Vaughn of Municipal Operations & Consulting, Inc. ("MOC"); Brenda McLaughlin of Bob Leared Interests ("BLI"); Chuck Brandman of Harris County Municipal Utility District No. 264 ("No. 264"); Pastor Steve Weaver of New Life Church and Calvin Williams, Jr. of Harris County Municipal Utility District No. 257 ("No. 257"); 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 (THE "COMMITTEE") MEETING
MINUTES

The Joint Sewage Treatment Plant Committee portion of the minutes of the District's September 26, 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 noted that the Lift Station inspection was completed and it appears that the clarifier arm on all three clarifiers needs to be replaced at an approximate cost of \$210,000.00. Ms. Broom noted that other issues involving the treatment process are being inspected at this time and will be reported to the Board next month. Mr. Eby suggested that operational controls first be attempted before considering the

replacement of the three clarifier arms; and to stagger the replacement versus doing the replacements all at once, to spread out the costs. Ms. Broom noted that the clarifier arm issues should be prioritized over the Lift Station Rehabilitation Project within the Capital Improvement Plan.

A discussion ensued regarding two recent Texas Commission on Environmental Quality ("TCEQ") water quality violations. Mr. Vaughn provided some background on the nature of those violations.

Mr. Creed noted that SPH will send out an agenda for the annual plant tour scheduled for Friday, November 8, 2024.

OPERATIONS REPORT

Mr. Vaughn presented and reviewed the Wastewater Treatment Plant (the "WWTP") Operations Report for the month of September 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 October 23, 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.

Mr. Brandman queried Mr. Hawthorne as to when the participants' reserve balances will be re-calculated based on the new budget. Mr. Hawthorne responded that he will provide the revised calculations to the Committee at the December Board meeting.

Director Knight entered the meeting during the discussion of the Bookkeeper's Report.

JOINT SEWAGE TREATMENT PLANT ATTORNEY REPORT

The Board next considered the Attorney's Report. Mr. Creed reminded the Committee that the November meeting has been rescheduled to November 21, 2024, and the December meeting has been rescheduled to December 19, 2024.

Mr. Eby and Mr. Brandman 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

In connection with the discussion held last month on the request from the New Life Church (the "Church"), located at 18525 FM 529, for water and sanitary sewer services for its proposed Church expansion, Ms. Broom reviewed with the Board a memorandum prepared by Cobb Fendley concerning the requirements for service to the Church. A copy of the memorandum is attached hereto as part of **Exhibit L**. Following discussion, the Board concurred that it is amenable to the Church's request but needs to confirm the appropriate level of cost allocations.

Mr. Weaver and Mr. Williams thanked the Board for consideration of the Church's request and exited the meeting at this time.

MINUTES

The Board considered approving the minutes of the District's September 26, 2024, Board meeting. After discussion, Director Lange moved that the September 26, 2024, Board meeting minutes be approved as written. Director Garcia seconded said motion, which unanimously carried.

"BONDS 101" PROGRAM

The Board next discussed when to schedule a "Bonds 101" program for Directors. The Board and Ms. Shelton determined to schedule the program for January 9, 2025, at 6:30 p.m. Mr. Vaughn noted that the training could be done at the MOC Offices.

BOOKKEEPER'S REPORT

Mr. Hawthorne presented to and reviewed with the Board the Bookkeeper's Report dated October 23, 2024, a copy of which report is attached hereto as **Exhibit D**, 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 15238 payable to Director Sanches, which was voided. Director Lange 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. Mr. Hawthorne 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.

ANNUAL 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 adoption a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Resolution"). He advised that there were no recommended changes to the Investment Policy at this time. After discussion on the matter, Director Peters moved that the Investment Policy be affirmed, that the Resolution attached hereto as **Exhibit E** be adopted, and that the President and Secretary be authorized to execute same. 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, 2024, including the disbursements presented for payment as listed therein, a copy of which report is attached hereto as **Exhibit F**. 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.

HOMESTEAD EXEMPTION DISCUSSION

Ms. Shelton next presented to and reviewed with the Board a: (i) 2025 Homestead Exemption Analysis; (ii) 2024 Debt Service Tax Rate Recommendation without a Homestead Exemption; and (iii) 2024 Debt Service Tax Rate Recommendation with a five percent (5%) Homestead Exception to be applied in 2025; as prepared by Masterson. Copies of the reports are attached hereto as **Exhibit G**. After discussion, the Board concurred to take no action on the matter at this time.

CONDUCT PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S 2024 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 2024. There being no comments from the public, upon a motion made by Director Peters, seconded by Director Lange and unanimously carried, such hearing was closed.

LEVY OF THE DISTRICT'S 2024 TAXES

The Board next discussed setting the District's 2024 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 26, 2024, meeting, the publication confirmation being attached hereto as **Exhibit H**. After discussion on the matter, Director Lange moved that: (i) the District levy a 2024 maintenance tax rate of \$0.25 per \$100 of assessed valuation, and a debt service tax rate of \$0.24 per \$100 of assessed valuation for

a total 2024 tax rate of \$0.49 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 2024 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 TCEQ when any of the required information therein changes, including the District's tax rate. After discussion regarding the Amendment, Director Peters 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 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 Collections Attorneys' Report, a copy of which report is attached hereto as **Exhibit J**. He noted that no action was required by the Board at this time with respect to any of the delinquent tax accounts listed in the report.

OPERATIONS REPORT

Mr. Vaughn presented and reviewed the Operations Report for the month of September 2024, a copy of which report is attached hereto as **Exhibit K** 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 four (4) delinquent accounts in the total amount of \$722.94, since all collection efforts to date had been unsuccessful. After discussion on the matter, Director Lange moved that MOC be authorized to write off four (4) delinquent accounts in the total amount of \$722.94 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.

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 then reported that Accurate Meter & Supply ("AMS") will be attending the November Board meeting to discuss its smart meter installation and monitoring program. The Board requested Ms. Broom to prepare preliminary numbers for the cost to install smart meters throughout the District, and provide same to the Board before the November Board meeting.

Ms. Broom noted that Cobb Fendley has contacted the commercial property owners about the steep embankment of their detention pond and suggested that they consider installing some safety fencing.

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 to and reviewed with the Board GFL Environmental's ("GFL") report for the month of September 2024 and Call Log, copies of such report and log being attached hereto as **Exhibit M**.

DISTRICT WEBSITE

The Board deferred consideration of the Off Cinco Analytics Report, as there was no reported provided to the Board for consideration.

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.

DRAINAGE FACILITY MAINTENANCE REPORT

The Board deferred the consideration of the Storm Water Quality Feature Inspection Reports for Sections 11 through 13, 18 and 19, as there was no report had been provided to the Board prior to the meeting.

ASSOCIATION OF WATER BOARD DIRECTORS MID-WINTER CONFERENCE

A discussion ensued regarding the purchase of District shirts for the Directors to wear while conducting District business and attending conferences. After discussion, the Board concurred not to order shirts on behalf of the District this year.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Creed presented to and reviewed with the Board an Order Establishing a Meeting Place Inside the District, establishing the District's

Wastewater Treatment Plant located at 18540 Prairie Bend Court, Cypress, Texas 77433, a District meeting place inside the District, and an Order Establishing a Meeting Place of Board of Directors Outside the District, establishing the offices of Municipal Operations & Consulting, Inc., located at 20141 Schiel Road, Cypress, Texas 77433, a District meeting place located outside the boundaries of the District (collectively, the "Orders"). After discussion, it was moved by Director Peters, seconded by Director Garcia and unanimously carried, that said Orders be passed and adopted and SPH be authorized to file a copy of the Order Establishing a Meeting Place of Board of Directors Outside the District with the TCEQ. The executed Orders are attached hereto as **Exhibit N**.

Mr. Creed reviewed with the Board the schedule for the District's Holiday Event, to be held after its December meeting.

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. Peters, 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	Bookkeeper's Report
Exhibit E	Resolution Regarding Review of Investment Policy
Exhibit F	Tax Assessor/Collector's Report
Exhibit G	2025 Homestead Exemption Analysis; 2024 Cash Flow Analysis without a Homestead Exemption; and 2024 Cash Flow Analysis with a five percent Homestead Exception
Exhibit H	Houston Chronicle Notice of Publication
Exhibit I	Order Levying Taxes
Exhibit J	Perdue, Brandon, Fielder, Collins & Mott, L.L.P. Delinquent Tax Collections Report
Exhibit K	Operations Report
Exhibit L	Engineering Report
Exhibit M	GFL Environmental Report and Call Log
Exhibit N	Order Establishing a Meeting Place Inside the District and Order Establishing Office Outside the Boundaries of the District