

MINUTES OF REGULAR MEETING  
HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 70  
HARRIS COUNTY, TEXAS

September 1, 2021

THE STATE OF TEXAS     §  
                                     §  
COUNTY OF HARRIS     §

The Board of Directors (the "Board") of Harris County Water Control And Improvement District No. 70 (the "District") of Harris County, Texas, met in regular session, open to the public, at 6:30 p.m., on the 1st day of September 2021, at the regular meeting place thereof, 2935 Foley Road, Crosby, Texas, within the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

|                     |                    |
|---------------------|--------------------|
| Bobby Crippens      | President          |
| Terry Lutz          | Vice President     |
| Randall Keith Adams | Secretary          |
| Jim Raines          | Director/Treasurer |
| Steve Kimes         | Director           |

All members of the Board were present, thus constituting a quorum.

Also present were Mr. Terry Stevens of TLS Utility Services, the District's Operator; Mr. Nirav Patel, P.E. of A&S Engineers, Inc., the District's Engineer; Mr. Greg Lentz of Masterson Advisors, LLC, the District's Financial Advisor; Mr. and Mrs. Howard Bartlett, residents of \_\_\_\_\_ and Mr. Michael P. Bacon of Bacon, Wallace & Philbin, L.L.P., the District's Attorney. Ms. Catherine Wheeler of Wheeler & Associates, Inc., the District's Tax Assessor/Collector attended via telephone.

WHEREUPON, following a notation that notices of the meeting had been duly posted in accordance with law, copies of which are attached hereto as exhibits, the meeting was called to order.

APPROVAL OF MINUTES

Minutes of the meeting of August 4, 2021 were presented for review and approval. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

BOOKKEEPER'S REPORT

The matter was tabled.

TAX ASSESSOR/COLLECTOR'S REPORT

Cathy Wheeler presented and reviewed the Tax Assessor/Collector's Report, a copy of which is attached hereto. Ms. Wheeler stated that 97.51% of the District's 2020 tax levy had been collected. She reviewed disbursements and transfers from the tax account. She then reviewed the delinquent tax roll, a copy of which is attached hereto.

Mr. Bacon presented to the Board the Second Amendment to Agreement for Services of Tax Assessor and Collector – Senate Bill 2 Contract. Upon motion duly made and seconded, the Board voted unanimously to approve the Second Amendment to Agreement for Services of Tax Assessor and Collector – Senate Bill 2 Contract as presented.

Upon a motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented.

#### TAX RATE RECOMMENDATION

Greg Lentz presented and reviewed the 2021 tax rate analysis and recommendation, a copy of which is attached hereto as an exhibit. Mr. Lentz stated there would be an approximate 5% increase in taxable value or approximately \$6.5 million. He and Mr. Bacon discussed the developing district status for purpose of a rollback rate calculation. Mr. Lentz stated the 2020 calculated tax rates for parity were \$0.59 per \$100 assessed valuation, the debt service rates were \$0.19 per \$100 assessed valuation, and the maintenance and operations rates were \$0.40 per \$100 assessed valuation. He then stated the 2021 total tax rate for parity is \$0.5677 per \$100 assessed valuation, and the total rollback rate is \$0.6131 per \$100 assessed valuation.

Mr. Lentz recommended the Board adopt a level rate of \$0.59, a debt service rate of \$0.19 per \$100 assessed valuation, and a maintenance and operation rate of \$0.40 per \$100 assessed valuation. He then reviewed the budgetary issues on the maintenance and operations tax revenue. Mr. Lentz stated the average homestead tax bill would be increased approximately \$42.00 at the recommended rate. He then discussed pending bond issuance and future potential reallocation of the tax rate between debt service and maintenance and operations.

Upon motion duly made and seconded, the Board voted unanimously to authorize the publication of the total tax rate of \$0.59.

#### OPERATOR'S REPORT

Mr. Stevens presented and reviewed the Operator's Report, a copy of which is attached hereto as an exhibit. Mr. Stevens discussed the water sample tests and pending maintenance, and stated that all facilities were in good condition.

He then presented and reviewed the Hydrant Survey Results, a copy of which are attached hereto as an exhibit. He discussed the pressure issues on Foley Road and stated no major repairs were necessary.

Mr. Stevens reported that Well Motor No. 2 had failed and the motor was pulled. He said the starter contacts were replaced, the well is back in service, and would continue to be evaluated. He informed the Board that the Engineer and Contractor would pull the pump to perform repairs. The Board discussed the maintenance plan generally for the well with the Operator.

The Board discussed the building maintenance issues including A/C repairs for this month.

Mr. Bacon recommended a Resolution Authorizing Approval of Certain Projects and Expenditures, which would be presented next month. The Board asked Mr. Bacon to proceed.

Upon a motion duly made and seconded, the Board voted unanimously to approve the Operator's Report as presented.

#### SECTION 1 AND 2 TELEVISIONING PROJECT

Nirav Patel presented three bids for the televising Section 1 and 2 project, copies of which are attached hereto as exhibits. The lowest bidder of the three were Kleen-Environmental for the amount of \$49,315.00. Mr. Patel and Mr. Bacon discussed the televising and cleaning project timeline, and the resulting recommendations which would be presented for continuing maintenance. Upon a motion duly made and seconded, the Board voted unanimously to award the project contract to Kleen-Environmental.

#### ENGINEER'S REPORT

Mr. Patel presented and reviewed the Engineer's Report, a copy of which is attached hereto as an exhibit. The Board asked about the Engineer's bill, and discussed the electrical repairs which have not been performed to certain Board members satisfaction.

Mr. Patel presented a proposal for pulling the Well No. 2 pump to address oil issues in the well for approximately \$15,900.00. The Board expressed concerns and wanted full preventative maintenance performed while the pump would be out of service. Upon a motion duly made and seconded, the Board approved \$15,900.00 to pull the motor and perform a visual evaluation, and, if necessary, authorize the Operator to approve \$3,900.00 for pump evaluation.

Upon a motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report as presented.

#### PUBLIC COMMENTS

There were no public comments.

#### OTHER MATTERS

Mr. and Mrs. Howard Barlett described drainage problems on their property causing standing water. The Board noted storm drainage was the County's responsibility. Mr. Stevens stated there may be a leak on the customer's side of the line, and that he would investigate in the morning.

There being no further business to come before the Board, the meeting was adjourned.

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Secretary, Board of Directors

(SEAL)