

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 70

Minutes of Meeting of Board of Directors
August 5, 2015

The Board of Directors ("Board") of Harris County Water Control and Improvement District No. 70 ("District") met at 2935 Foley Road, Crosby, Harris County, Texas 77532 on August 5, 2015, in accordance with the duly posted notice of said meeting, with a quorum of Directors present, as follows:

Nora Caufield, President
Kenneth Michael Higgins, Vice President
Steve Kimes, Secretary
Randall Keith Adams, Assistant Secretary
Terry L. Stevens, Director

and the following absent:

None.

Also present were Sharon Davis, Don Guillory, Brandy Woods, Bob Ideus, Crippens, Ryan Nokelby, David Hunn, Vicki Smith, and G. Taylor Goodall, Jr.

The President called the meeting to order and declared it open for such business as might regularly come before it.

1. The Board considered the minutes of the meeting held on July 1, 2015. After view and discussion, upon motion made by Director Higgins, seconded by Director Stevens, the Board unanimously approved the minutes as presented.

2. Sharon Davis of First Service, management company of Deer Run Estates HOA, approached the Board regarding information about the District detention pond in the middle of the Deer Run Estates subdivision. Mr. Goodall explained that the District is responsible for maintaining the pond for drainage and detention purposes and the HOA, through an agreement with the District, has the right to make aesthetic improvements to the pond and pond area. Ms. Davis inquired as to the possibility of restricting the pond area to only Deer Run Estates homeowners and Mr. Goodall responded that District taxpayer money is spent to maintain certain aspects of the ponds. The only way in which that could happen would be if Deer Run Estates took 100% responsibility for the pond, including the storm water quality permit. It is unlikely that Harris County would allow the HOA to take over responsibility for the storm water quality permit.

3. Don Guillory presented an operator/manager's report, a copy of which is attached to these minutes. Mr. Guillory presented his written report and discussed the need for smoke testing. It was decided that the more prudent financial action to take regarding smoke testing is to purchase a District-owned smoke testing machine. After brief discussion, upon motion by Director Kimes, seconded by Director Stevens, the Board unanimously approved

expenditure of \$1,675 for the purchase of a smoke tester. After further review and discussion, upon motion by Director Adams, seconded by Director Higgins the Board unanimously approved the operator/manager's report as presented.

4. Brandy Woods presented a District tax assessor/collector's report. Ms. Woods noted that the District's 2014 taxes are 98.01% collected. After brief discussion, upon motion by Director Kimes, seconded by Director Higgins, the Board unanimously approved the tax assessor/collector's report as presented.

5. Bob Ideus presented a bookkeeper's report, copy attached. The Board reviewed the report and noted that the District previously authorized a \$550 capital contribution for lighting to the HOA and contribution of up to \$35 per month for electricity for the lighting. It was reported that the HOA is responsible for billing the District. Subject to that discussion, upon motion by Director Stevens, seconded by Director Higgins, the Board unanimously approved the bookkeeper's report as presented and authorized the issuance of the checks listed thereon.

6. The Board considered the fiscal year end 2016 budget. Mr. Ideus presented a draft budget report. After review and discussion regarding the draft budget, upon motion by Director Higgins, seconded by Director Kimes, the Board unanimously approved the Resolution adopting the fiscal year end 2016 budget.

7. Mr. Goodall presented a proposal from McCall Gibson Swedlund Barfoot, PLLC to perform the annual audit of the District's books and records for the fiscal year ending 2015. After review and discussion, upon motion by Director Higgins, seconded by Director Kimes, the Board unanimously approved engaging McCall Gibson Swedlund Barfoot PLLC to perform such audit.

8. The Board discussed the recent request by CenterPoint for an easement from the District. Mr. Goodall distributed a memo regarding the legal issues surrounding the easement acquisition and use of the property by CenterPoint without an easement since the early 1950s. Mr. Goodall reported that the area in question has the main power line to the District running over it, but that the District is owed some compensation nonetheless. After further review and discussion, upon motion by Director Higgins, seconded by Director Stevens, the Board unanimously authorized Mr. Goodall to negotiate with CenterPoint and bring a proposed settlement amount to the Board for consideration at the District's September Board meeting.

9. Ryan Nokelby and David Hunn presented the engineer's report, copy attached. There was discussion regarding the invoice from the engineer, and upon motion by Director Higgins, seconded by Director Kimes, there was a formal request for the engineers to reconsider their invoice. There was then discussion regarding the need to pump down the clarifier to review damage so that a better scope is available for a proposal to repair the clarifier. It was noted that pumping down on the clarifier will only allow for more information to be known so that a better estimate for repair can then be presented. After brief discussion, upon motion by Director Higgins, seconded by Director Stevens, the Board unanimously approved pumping down of the clarifier so that a better scope can be created. After further discussion, upon motion by Director Higgins, seconded by Director Kimes, the Board unanimously approved the engineer's report as presented.

10. Vicki Smith presented a billing and collections report, copy attached. After brief discussion, upon motion by Director Stevens, seconded by Director Adams, the Board unanimously approved the report as presented.

11. The Board considered public comments. Continued problems with the chlorinator at the new wastewater treatment plant expansion were discussed. After discussion, it was noted that problems have been persistent and the engineers should draft a letter to the manufacturer and contractor putting them on notice that if the problems are not corrected permanently the District will seek every available recourse. Bobby Crippens noted that there have been further problems regarding garbage trucks leaking fluids while collecting in the District and Mr. Goodall reported that he had received further correspondence from District residents regarding such. The Board instructed Mr. Goodall to place an item on the agenda for discussing the issues with representatives from OFS at the next Board meeting and requested that his office make contact with them regarding the issues.

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

Secretary