

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

February 2, 2022

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 February 2, 2022, 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:

Vacant	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; Messrs. Nirav Patel and Jim Ainsworth, P.E. of A&S Engineers, Inc., the District's Engineers; Ms. Yvonne Luevano of Wheeler & Associates, Inc., the District's Tax Assessor/Collector; Ms. Jennifer Day of McCall Gibson Swedlund Barfoot PLLC, the District's Auditor; Mr. Mike Higgins, Ms. Deanna Delapasse, and Ms. Rebecca Adams, residents of the District; Ms. Pamela Graham of Harris County WCID No. 70, an employee of the District; and Mr. Landon T. Gerlich of Bacon, Wallace & Philbin, L.L.P., the District's Attorney.

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

APPROVAL OF MINUTES

Minutes of the meeting of January 5, 2022, were presented for review and approval. Upon a motion duly made and seconded, the Board voted unanimously to approve the minutes as presented.

RECONSTITUTE THE BOARD

Mr. Gerlich reviewed procedures to reconstitute the Board and the administrative roll of the various positions. The Board discussed the matter, and the matter was tabled.

AUDIT REPORT

Ms. Jennifer Day presented and reviewed the District's Draft Audit for Fiscal Year 2021, a copy of which is attached hereto. She stated the District received a clean, unmodified opinion. She reported no major issues regarding the District's finances. Ms. Day reviewed the District's budget comparison and account balances. She noted the District had a strong debt service account balance. Upon a motion duly made and seconded, the Board voted unanimously to approve the Draft Audit for Fiscal Year 2021 subject to consultant review.

BOOKKEEPER'S REPORT

Director Adams presented and reviewed the Bookkeeper's Report and Investment Report, copies of which are attached hereto as exhibits. He reviewed the disbursements, receivables, and account balances. Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's Report as presented.

TAX ASSESSOR/COLLECTOR'S REPORT

Yvonne Luevano presented and reviewed the Tax Assessor/Collector's Report, a copy of which is attached hereto. She reviewed the monthly disbursements, transfers from the tax account, and the delinquent tax roll, copies of which are attached hereto as exhibits. She stated that District collected 86.34% of its 2021 tax levy. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report as presented.

RESOLUTION REGARDING EXEMPTIONS FROM TAXATION

Mr. Gerlich presented and reviewed the Resolution Regarding Exemptions from Taxation, a copy of which is attached hereto. Ms. Luevano stated the District's homestead exemption percentage would be 20%, and the over-65/disabled extension would be \$30,000. Upon a motion duly made and seconded, the Board voted unanimously to adopt the Resolution Regarding Exemptions from Taxation as presented.

ORDER IMPLEMENTING 20% PENALTY AND CONTRACTING WITH DELINQUENT TAX ATTORNEY

Mr. Gerlich presented and reviewed the Order Implementing 20% Penalty and Contracting with Delinquent Tax Attorney. Mr. Gerlich stated that the delinquent tax attorney would be paid on a contingency fee basis for tax penalty funds collected by the delinquent tax attorney. Ms. Luevano reviewed the timeline and application of the 20% penalty. Upon a motion duly made and seconded, the Board voted unanimously to adopt the Order Implementing 20% Penalty and Contracting with Delinquent Tax Attorney as presented.

OPERATOR'S REPORT

Terry Stevens presented and reviewed the Operator's Report, a copy of which is attached hereto as an exhibit. He reported all biological testing samples passed. He stated that the No. 1 Pump on the lift station was malfunctioning, and the size of the pump might need to be increased. Mr. Stevens estimated the cost to fix the pump would be approximately \$4,800. The Board had no objection to fixing the pump. Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's Report as presented.

ENGINEER'S REPORT

Nirav Patel presented and reviewed the Engineer's Report, a copy of which is attached hereto as an exhibit. Mr. Patel discussed the Water Well No. 2 project and repairs at Water Plant No.1. He stated that Water Well No. 2 was not yet functional for a variety of reasons, including the need for additional electrical work. Mr. Patel stated that the District would not be charged for the electrical work. Mr. Patel then presented Pay Application No. 1 and Final in the amount of \$81,125.00 payable to Alsay Incorporated. Mr. Ainsworth recommended the Board approve Pay Application No. 1 on the condition the funds be held by the District until Water Well No. 2 was fully functional to the satisfaction of the District. Director Raines asked when the project would be finished, and Mr. Patel said he could not be certain. The Board then expressed concern regarding the quality of work and the lack of responsiveness on the part of the contractor, and the matter was tabled.

Mr. Patel stated that the videos from the Section 1 and Section 2 televising project would be delivered to the Engineer in the coming week. He stated that the contractor experienced some employee turnover, which caused a delay in preparing the video. The Board, Engineer, and Operator discussed potential relocation and resizing of the lift station, and the Engineer said he would evaluate the lift station capacity. The Board then authorized the Engineer to procure proposals regarding the televising of the rest of the subdivision. Mr. Patel said the Water Plant No. 1 electrical improvements were still on hold.

Ms. Deanna Delapasse requested the District release a drainage easement on her property, which would allow her to construct an outdoor kitchen. Mr. Gerlich reported that the District did not need the drainage easement and could release it. Mr. Ainsworth stated that the easement was platted, and he stated that the District did not need the drainage easement. The Board discussed the matter with Ms. Delapasse. Upon a motion duly made and seconded, the Board voted unanimously to authorize the Attorney to do all things necessary to release the drainage easement as requested.

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

BILLING AND COLLECTIONS REPORT

Pamela Graham reviewed the Billing and Collections Report, a copy of which is attached hereto as an exhibit. Upon a motion duly made and seconded, the Board voted unanimously to approve the Billing and Collections Report as presented.

ORDER CALLING 2022 DIRECTORS ELECTION

Mr. Gerlich presented and reviewed the Order Calling 2022 Directors Election. Mr. Gerlich reviewed various deadlines regarding the potential 2022 Directors Election. Upon a motion duly made and seconded, the Board voted unanimously to adopt the Order Calling 2022 Directors Election.

ATTORNEY'S REPORT

Mr. Gerlich stated that he reviewed the District's website. Ms. Graham said the District hired a new website provider in the past several months, and she inquired as to whether the new website had been generated. Mr. Gerlich said he would review the matter and contact the new website provider. Mr. Gerlich stated that any residents with questions regarding the 2022 Directors Election should be directed to the Attorney's office. Upon motion duly made and seconded, the Board voted unanimously to approve the Attorney's Report as presented.

PUBLIC COMMENTS

There were no public comments.

OTHER MATTERS

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

Secretary, Board of Directors

(SEAL)