

**HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 70**  
Minutes of Meeting of Board of Directors  
February 07, 2018

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 February 07, 2018, 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

and the following absent:

None.

Also present were, Bob Ideus, Jim Ainsworth, Lizandro Campos, Terry Stevens, Pam Graham, and G. Taylor Goodall, Jr.

The President called the meeting to order at 6:30 p.m. and declared it open for such business as might regularly come before it.

1. The Board considered the minutes of the meeting held on January 03, 2018. After a brief review and discussion, upon motion made by Director Higgins, seconded by Director Adams and unanimously carried, the Board unanimously approved the minutes as presented.
2. There was presented the attached Order Levying Additional Penalty for Delinquent Taxes. The order levies a 20% penalty on 2017 delinquent taxes for business personal property on April 1, 2018 and for real property on July 1, 2018. Upon motion made by Director Higgins, seconded by Director Kimes, the Board unanimously adopted the order as presented.
3. Mr. Campos presented a tax report, copy attached. The District's 2017 taxes are 90.0% collected. After brief review and discussion, and upon motion by Director Higgins, seconded by Director Kimes, the Board approved the report as presented and authorized disbursement of the funds contained therein.
4. Josh Rambo presented the annual audit of the District's books and records for the fiscal year ended August 31, 2017. After a review and discussion, upon motion made by Director Kimes, seconded by Director Higgins and unanimously carried, the Board approved the audit and authorized its distribution to the appropriate entities.
5. The Board next considered the annual review of the District's Investment Policy. After a review and discussion, upon motion made by Director Kimes, seconded by

Director Higgins and unanimously carried, the Board approved the attached Resolution Affirming Review of Investment Policy, Strategies and Objectives.

6. Mr. Goodall reported that several new laws have been enacted that require certain filings be made and monitored with various office of the State of Texas. Mr. Goodall reported that his office is making the appropriate filings and monitoring on the District's behalf.

7. Terry Stevens presented an operator manager's report, copy attached. After brief review and discussion, upon motion made by Director Adams, seconded by Director Kimes and unanimously carried, the Board authorized the District's operator to proceed with termination of utility service pursuant to provisions of the Rate Order and approved the operator's report as presented.

8. Jim Ainsworth gave an update on the storm water quality permit. Mr. Ainsworth reported that Harris County approved the storm water quality permit and that his office has fielded several calls from the Deer Run Estates residents regarding the water levels required by Harris County.

9. Jim Ainsworth presented an engineer's report, copy attached. Mr. Ainsworth reviewed options for lift station replacement and rehabilitation with the Board of Directors. Mr. Ainsworth noted that the lift station does not need to be repaired or replaced immediately, however, it will in the relatively near future. After review of the options, it appeared that rehabilitation is likely the most cost effective manner. Mr. Ainsworth then reviewed options for necessary water plant improvements. Mr. Ainsworth noted that the District will likely need to choose a path for the improvements in the very near future but that his office will work with the bookkeeper and the Board regarding an effective schedule, taking into account the District's financial planning needs. The Board then discussed issues associated with the generator powering District facilities. Mr. Ainsworth then noted that his office is unclear on exactly how the generator is sized to power the facilities and the manner in which the facilities are powered. He recommends having an electrical engineer assess the situation and make a recommendation. Subject to the discussion, upon motion made by Director Higgins, seconded by Director Adams, the Board approved retaining an electrical engineer to review the generator situation. Mr. Ainsworth's report as presented. Subject to the discussion, upon motion made by Director Higgins, seconded by Director Kimes, the Board unanimously approved the engineer's report as presented.

10. Mr. Bob Ideus presented the bookkeeper's report, copy attached. The District's operating fund balance is \$1,493,483.32. After further review and discussion, upon motion made by Director Kimes, seconded by Director Higgins, the Board approved the bookkeeper's report as presented and authorized disbursement of the funds contained therein.

11. Pam Graham presented the billing and collections report, copy attached. It was noted that the District collected \$32,246.39 during the month. The Board approved allowing the meter readers to have an office key to the public area of the office only, in order to use the restroom while on duty. Subject to that discussion, upon motion made by Director Kimes, seconded by Director Adams and unanimously carried, the Board approved the attached billing and collections report as presented.

12. The Board reviewed proposals from the District electricity consultant for realizing a cost savings by entering into a new long term agreement for utility service. After review of the proposals and discussion upon motion made by Director Kimes, seconded by Director Adams, the Board authorized Board President Nora Caufield to enter into a 36 month term agreement at the lowest possible rate procured by the consultant.

13. It appeared that an election of directors should be called for and within the District on Saturday, May 5, 2018. The attached order calling such election was presented and reviewed by the Board of Directors. Upon motion by Director Adams, seconded by Director Kimes and unanimously carried, the Board approved and adopted the attached Order calling the election. The attorneys were instructed to handle the mechanics of the election.

14. In response to the recently called election, Director Higgins noted that he feels the Board of Directors as currently composed has achieved the main goals they set out to achieve when being elected to their positions. As a result of these achievements, it as noted that Mr. Higgins will resign when new Directors are seated after the upcoming Board of Directors election.

15. The Board considered public comments. Dolores McCaslim noted that she discovered a water leak on January 23, 2018 that resulted in a \$253.00 water bill. After hearing the circumstances surrounding Ms. McCaslim's situation and considering her request, upon motion made by Director Higgins, seconded by Director Adams, the Board instructed Ms. Graham to adjust her bill as one time courtesy to \$100 for the billing period.

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

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Secretary