

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 70

Minutes of Meeting of Board of Directors

June 7, 2017

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 June 7, 2017, 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
Randall Keith Adams, Assistant Secretary

and the following absent:

Steve Kimes, Secretary.

Also present were Lizandro Campos, Bob Ideus, Pam Graham, Terry Stevens, 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 meetings held on May 3, 2017 and May 24, 2017. After a brief review and discussion, upon motion made by Director Adams, seconded by Director Higgins, the Board unanimously approved the minutes of May 3, 2017 as presented. Corrections were made to the May 24, 2017 minutes to reflect that Rebecca Adams was present at the meeting, and upon motion made by Director Adams, seconded by Director Higgins, the Board unanimously approved the minutes as corrected.

2. Lizandro Campos presented a tax assessor/collector's report, copy attached. The District's 2016 taxes are 97.29% collected. After a brief review and discussion, upon motion made by Director Higgins, seconded by Director Adams, the Board unanimously approved the tax assessor/collector's report as presented and authorized disbursements of the funds contained therein.

3. Terry Stevens presented an operator's report, copy attached. There was discussion regarding necessary infrastructure repairs, and Director Adams requested that Mr. Stevens prepare a priority list for said repairs. After further review of the report, upon motion made by Director Higgins, seconded by Director Adams, the Board unanimously approved the operator's report as presented.

4. Mr. Goodall reported the need to submit to CenterPoint Energy the information required to comply with the emergency operations and critical load status for District facilities. This report will register with CenterPoint Energy and other emergency operations agencies the District's critical water and wastewater infrastructure, and those facilities will be given priority for restoration of service after a hurricane or other disaster. In addition, the

attorney will submit contact information to emergency operations agencies for the County and the State, as required by law.

5. Bob Ideus presented the bookkeeper's report, copy attached. The District's operating fund balance is \$1,537,642.98. After a brief review and discussion, upon motion made by Director Higgins, seconded by Director Adams, the Board unanimously approved the bookkeeper's report as presented and authorized disbursement of the funds listed therein.

6. Pam Graham presented the billing and collections report, copy attached. The District collected \$39,077.48 during the month. There was a lengthy discussion regarding customers that were under billed as a result of a recently discovered error in the online billing process. Ms. Graham assured the Board that the error has been fixed moving forward. It was unclear whether the cause of the error was usurious or a combination of the AVR billing system and District office procedures. Mr. Goodall advised against charging the under billed customers at this time until further information regarding the source of the error can be surmised. Ms. Graham was instructed to compile as much information regarding the circumstances surrounding the error and the amounts in question to present to the Board for a final decision at the next meeting. Subject to that discussion, upon motion made by Director Adams, seconded by Director Higgins, the Board unanimously approved the billing and collections report as presented.

7. Mr. Goodall advised the Board that the District's investment officer is required to disclose any personal business relationships with business organizations offering to engage in an investment transaction with the District, to which the District is required to review annually in order to ensure its continuing accuracy. Mr. Goodall reported that the attached annual disclosure had been received from the District's investment officer, Bob Ideus, and that said disclosure is appropriate with no conflicts. Mr. Goodall further advised the Board that the disclosure would be submitted to the Texas Ethics Commission.

8. The attorney then distributed a conflict of interest questionnaire. The Board members completed the questionnaires, noting no conflicts, and provided copies for the District's records.

9. The Board instructed Mr. Goodall to place an item on the July agenda for engagement of A&S Engineers for District engineering services. It was noted that A&S Engineers should contact the District's previous operator to discuss the closeout of the Foley Road manhole project.

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

Secretary