

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 70
Minutes of Meeting of Board of Directors
October 4, 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 October 4, 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
Steve Kimes, Secretary
Randall Keith Adams, Assistant Secretary

and the following absent:

None.

Also present were Greg Lentz, Hudson Kennedy, Jim Ainsworth, Bob Ideus, Lizandro Campos, Terry Stevens, Pam Graham, Edward Arnold, Don Kyle, Rebecca Adams, Don Guillory, Bobby Crippens, and Jennifer B. Seipel.

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 August 30, 2017. After a brief review and discussion, upon motion made by Director Kimes, seconded by Director Adams and unanimously carried, the minutes were approved as written.

2. Lizandro Campos presented the tax assessor/collector's report, copy attached. The District's 2016 taxes are 98.60% collected. After a brief review and discussion, upon motion made by Director Kimes, 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. The Board then considered engagement of an auditor to perform the audit for the fiscal year ending August 31, 2017. Hudson Kennedy of McCall Gibson Swedlund Barfoot, PLLC presented a proposal to perform the audit. After discussion, upon motion made by Director Higgins, seconded by Director Kimes, and unanimously carried, the Board approved engagement of McCall Gibson Swedlund Barfoot, PLLC to perform the audit.

4. The Board considered the date to hold a hearing for adoption of its 2017 tax rate. The Board discussed holding the hearing on October 18, 2017.

5. The Board discussed the 2017 proposed tax rate with the financial advisor representative Greg Lentz. After a review and discussion, upon motion made by Director Higgins, seconded by Director Kimes, and unanimously carried, the Board approved the

recommendation of \$0.205 per \$100 assessed valuation for debt service and \$0.40 per \$100 assessed valuation for maintenance and operations, for a total 2016 tax rate of \$0.605. The Board authorized the tax assessor/collector to publish notice as required by law.

6. Terry Stevens presented the operator/manager report. Mr. Stevens provided an update on the operational activities during the month. After further discussion, upon motion made by Director Kimes, seconded by Director Higgins and unanimously carried, the Board approved the attached operator/manger report as presented.

7. Jim Ainsworth presented the engineer's report. Mr. Ainsworth reported that his office has begun the process of renewing the District's wastewater discharge permit, which expires in July 2018. With respect to the Foley Road manhole repair project, he engineer then presented Change Order No. 2 in the amount of \$1,250.00 and Pay Estimate No. 1 and Final in the amount of \$61,250.00 and recommended approval thereof. Upon motion made by Director Kimes, seconded by Director Adams, and unanimously carried, the Board approved Change Order No. 2, Pay Estimate No. 1 and Final, and the engineer's report as presented.

8. Ms. Seipel then presented the Board with an Order Adopting an Investment Policy. Ms. Seipel discussed changes to the Public Funds Investment Act, among other laws, impacting the District's investment policy and explained that it must be updated to reflect these changes to the law. After discussion, upon motion by Director Higgins, seconded by Director Kimes, the Board unanimously approved the Order as presented.

9. Mr. Ideus presented the bookkeeper's report. The Board discussed the budget for the fiscal year ending August 31, 2017 and requested that discussion of the matter be placed on the November agenda. Upon motion made by Director Adams, seconded by Director Higgins, and unanimously carried, the Board approved the bookkeeper's report as presented.

10. Pam Graham presented the billing and collections report. She stated that a few customers had lodged complaints regarding high water bills. Subject to that discussion, upon motion made by Director Adams, seconded by Director Higgins and unanimously carried, the Board approved the attached billing and collections report as presented.

11. During public comments, a District resident whose home had a water leak requested a reduction in his water bill. After some discussion, upon motion made by Director Higgins, seconded by Director Kimes, and unanimously carried, the Board voted to credit the resident's account \$200.

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

Secretary