

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 70
Minutes of Meeting of Board of Directors
October 5, 2016

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 5, 2016, 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 Don Guillory, Pamela Graham, Bob Ideus, Ryan Nokelby, Sherri Wells, 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 September 7, 2016. After a brief review and discussion, upon motion made by Director Higgins, seconded by Director Adams, the Board unanimously approved the minutes as presented.

2. The Board considered the matter of director per diems. Director Higgins moved to adopt a policy that no directors shall draw per diems as currently allowed by law in amount up to \$150 per day. It was noted that currently some directors draw a per diem of \$50 per day of service to the District. After discussion, the motion failed for lack of a second.

3. At 6:45 p.m., the Board enter into executive session, in accordance with Texas Government Code §551.074 to deliberate the appointment of a public officer. At 6:47 p.m., the Board exited executive session. The Board then discussed the appointment of a new director. It was noted by Mr. Goodall that the Water Code compels the Board to appoint a director to fill the term of the currently vacant position. In theory, it is possible that the TCEQ may compel the Board of Directors to appoint a director in the event the Board chooses not the appoint one at this time. The Board declined to appoint a director.

4. The Board reviewed the tax assessor/collector’s report, copy attached. The District’s 2015 taxes are 98.12% collected. After a brief review and discussion, upon motion made by Director Kimes, seconded by Director Higgins, the Board unanimously approved the tax assessor/collector’s report as presented and authorized issuance of the checks listed therein.

5. The tax assessor/collector confirmed that her office had published notice of the District's intent to hold a public hearing and set the 2016 tax rate at this meeting. Accordingly, the Board called a public hearing on the District's proposed 2016 tax rate. It appeared that the Harris County Appraisal District had heretofore prepared and certified to the District's tax assessor/collector the final 2016 appraisal roll of the District. The Board considered the amount of taxes to be raised based on said valuation in order to meet debt service requirements on the District's outstanding bonds and for maintenance purposes. Upon motion by Director Higgins, seconded by Director Kimes and unanimously carried, the Board passed and adopted the attached Order accepting the final appraisal roll and setting a total tax rate of \$0.605. The Board executed the amendment to the District's information form to reflect the tax rate, and the attorneys were directed to file executed copies with the Harris County Clerk and the Texas Commission on Environmental Quality as required by the Texas Water Code, and to furnish the tax assessor for the District a certified copy of the Order levying the tax.

6. Don Guillory presented the operator's report, copy attached. There was lengthy discussion regarding the need for sewer line repairs on Foley Road and, after deliberation, it was decided that the engineers and Don Guillory shall visit the line in question prior to the District's November Board of Directors meeting. A proposal for the repairs shall be presented at that time. Subject to that discussion, upon motion by Director Adams, seconded by Director Kimes, the Board unanimously approved the operator's report as presented.

7. Bob Ideus presented the bookkeeper's report, copy attached. The District's operating fund contains \$1,294,805.26. After further review and discussion, upon motion made by Director Higgins, seconded by Director Kimes, the Board unanimously approved the bookkeeper's report as presented and authorized issuance of the checks listed therein.

8. Pamela Graham presented the billing and collections report, copy attached. The District collected \$34,115.62 during the month. After a brief review and discussion, upon motion made by Director Higgins, seconded by Director Kimes, the Board unanimously approved the billing and collections report as presented.

9. Ryan Nokelby presented an engineer's report. After consultation with the District engineers, the engineers requested permission to move forward with the storm water quality permit renewal and respond to the City of Houston regarding the 2017 GRP demands. The City and the engineers currently estimate the 2017 demands will be 82 million gallons. The engineers will respond to the City of Houston after confirming the calculations provided by the City and consulting with Don Guillory, and final approval from President Caufield. After a brief review and discussion, upon motion made by Director Kimes, seconded by Director Higgins, the Board unanimously approved the engineer's report as presented, including proceeding with the storm water quality permit renewal and authorizing the engineers to contact the City of Houston regarding the 2017 GRP demands.

10. The Board considered a request from the Deer Run Estates Homeowners Association to construct a storage building on District drainage reserve property. After a brief review and consultation with Don Guillory, upon motion made by Director Higgins, seconded by Director Kimes, the Board unanimously approved a revocable license to place the storage building on District property. It was noted that, in the event the Board of Directors chooses to,

the license can be unilateral revoked by the District and the Deer Run Estates HOA forced to remove the building and vacate the property.

11. Sherri Wells from Alliance Properties approached the Board and inquired about reviewing feasibility to study the possibility of developing the Metyco tract. The Board noted no objection to Ms. Wells and her clients contacting the District engineers regarding the issue, provided that the District bear no expense associated with the study. There was discussion and a request for a variance from the District's newly adopted irrigation meter policy due to the fact that the policy was recently changed and the District website did not update the new policy. Just after the adoption of the new policy, the customer in question requested an irrigation meter. After discussion, upon motion made by Director Kimes, seconded by Director Adams, the Board granted a one-time variance with respect to the District's no irrigation meter policy due to the unique nature and timing of the request.

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

Secretary