

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 70

Minutes of Meeting of Board of Directors

February 5, 2020

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 5, 2020, in accordance with the duly posted notice of said meeting, with a quorum of Directors present, as follows:

Bobby Crippens, President
Terry Lutz, Vice President
Randall Keith Adams, Secretary
Jim Raines, Director/Treasurer
Steve Kimes, Director

and the following absent:

None

Also present were, Pam Graham, Bob Ideus, Greg Lentz, Jim Ainsworth, Sam Werner, Terry Stevens, Caryn Adams, and G. Taylor Goodall, Jr. and members of the public.

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 January 8, 2020. After brief review and discussion, upon motion duly made and seconded, the Board unanimously approved the minutes as presented.

2. The tax assessor presented a tax assessor/collector's report. The District's 2019 taxes are 83.45% collected. Subject to that discussion, upon motion duly made and seconded, the Board unanimously approved the tax assessor-collector's report as presented and authorized disbursement of the funds contained therein.

3. There was presented the attached Order Levying Additional Penalty for Delinquent Taxes. The order levies a 20% penalty on 2019 delinquent taxes for business personal property on April 1, 2020 and for real property on July 1, 2020. Upon motion duly made and seconded, the Board unanimously adopted the order as presented.

4. Terry Stevens presented an operator's report. After review brief review and discussion of the report, upon motion duly made and seconded, 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.

5. The attorney noted that the District was required to review the FTC identity theft red flag program on an annual basis. The District experienced no problems with the policy. Accordingly, upon motion duly made and seconded, the Board voted unanimously to

adopt the attached Resolution Affirming Identity Theft Prevention Program.

6. Jim Ainsworth presented an engineer's report. Mr. Ainsworth reviewed report and discussed, in depth, a check to be issued for Water Plant Improvements projects. The Board authorized release of the check for Pay Application No. 2 upon confirmation by the District engineer and operator that the work is finished. The Board further discussed, but did not approve, a potential Change Order for a CFG Industries contract. The Board approved low bidder C3 Constructors, LLC in the amount of \$305,000.00 for construction of new ground storage tank. Mr. Ainsworth then reviewed the CIP.

7. Mr. Goodall confirmed that his office will work with the District engineers and operators on the update of the District's Emergency Preparedness Plan.

8. Mr. Bob Ideus presented the bookkeeper's report. The District's operating fund balance is \$1,647,840.55. After brief review and discussion, upon motion duly made and seconded, the Board approved the bookkeeper's report as presented and authorized disbursement of the funds and action items contained therein.

9. Pam Graham then reviewed a billing and collections report, copy attached. The District collected \$22,252.31 during the month. Director Crippens asked that an item for amendment to the District rate order be placed on the March meeting agenda. After further discussion, upon motion duly made and seconded, the Board unanimously approved the billing and collections report as presented.

10. Josh Rambo presented the annual audit of the District's books and records for the fiscal year ended August 31, 2020. After a review and discussion, upon motion duly made and seconded, the Board unanimously approved the audit and authorized its distribution to the appropriate entities. The Board next considered the annual review of the District's Investment Policy. After a review and discussion, upon motion duly made and seconded, the Board unanimously approved the attached Resolution Affirming Review of Investment Policy, Strategies and Objectives.

11. It appeared that an election of directors should be called for and within the District on Saturday, May 2, 2020. The attached order calling such election was presented and reviewed by the Board of Directors. Upon motion duly made and seconded, the Board unanimously approved and adopted the attached Order calling the election. Pam Graham was appointed as the Presiding Judge. The attorneys were instructed to handle the mechanics of the election.

12. The Board further considered calling a Bond Election. The Board reviewed the analysis provided by Greg Lentz, the District's Financial Advisor. Said analysis showed that the District can save up to \$5,000,000.00 in bonds for capital projects without raising the District's total tax rate. It was mentioned that the bond election will provide for financing of all capital improvement described in the engineer's report approved earlier in the meeting. Upon motion made by Director Adams, seconded by Director Lutz, the Board adopted the Order Calling Bond Election, which Order and a notice of the election are attached to the minutes, with Director Kimes voting against the motion. Director Crippens noted that he

supports letting the general public decide. The motion passed on a 4-1 vote.

13. The Board discussed public comments. Mike Higgins asked how much extra the new elevated storage tank demolition would cost.

There being no further business to consider, the meeting was adjourned.

Secretary