

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 70

Minutes of Meeting of Board of Directors
November 4, 2015

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 November 4, 2015, 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
Terry L. Stevens, Director

and the following absent:

Steve Kimes, Secretary.

Also present were Don Guillory, Bob Ideus, Bobby Crippens, Ryan Nokelby, David Hunn, Vicki Smith, Trisha Inis, Becky Adams, 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 October 7, 2015. After a brief discussion and review, upon motion made by Director Higgins, seconded by Director Stevens, the Board unanimously approved the minutes as presented.

2. In the absence of the tax assessor-collector, Mr. Goodall distributed the tax assessor-collector's report. After a brief review and discussion, upon motion made by Director Higgins, seconded by Director Stevens, the Board unanimously approved the tax assessor-collector's report as presented and authorized issuance of the checks contained therein.

3. Mr. Goodall reported that the District's insurance policy expires on December 15, 2015. The District's current insurance provider, Highpoint, provided a competitive quote for renewal of the policy. The engineers confirmed that they had consulted with representatives of Highpoint regarding the equipment coverage. After a brief discussion, upon motion made by Director Higgins, seconded by Director Stevens, the Board unanimously authorized renewal of the District's insurance policy with Highpoint upon the terms presented.

4. Don Guillory presented an operator's report, a copy of which is attached. After a brief review and discussion, upon motion by Director Higgins, seconded by Director Stevens, the Board unanimously approved the operator's report as presented.

5. Bob Ideus presented a bookkeeper's report, copy attached. After a brief review and discussion of the report, upon motion by Director Stevens, seconded by Director

Higgins, the Board unanimously approved the bookkeeper's report as presented and authorized the issuance of the checks listed thereon.

6. Trisha Inis approached the Board and gave a brief presentation regarding AVR's credit card payment acceptance program. Ms. Inis noted that the customer pays 5% directly to AVR in the event that a credit card is used to make the payment, and the cost to the District is \$100 per month. The proposed contract is a month-to-month contract, and the necessary training for the billing and collections personnel is done remotely and takes less than one hour. After a brief discussion, the Board tabled the matter until the December Board meeting and requested that the item remain on the agenda so that the issue can be reconsidered upon the return of Director Kimes.

7. Mr. Goodall presented the Board with the previously discussed easement for utilities to CenterPoint. Mr. Goodall reminded the Board that CenterPoint had agreed to pay the District \$8,500 for the easement and the engineers confirmed that the language of the easement was acceptable and prevented conflict with District facilities. Subject to that discussion, upon motion made by Director Higgins, seconded by Director Stevens, the Board unanimously authorized execution of the easement as presented.

8. Ryan Nokelby and David Hunn presented an engineer's report, copy attached. After a brief review and discussion of the report, upon motion by Director Stevens, seconded by Director Adams, the Board unanimously approved the engineer's report as presented.

9. Vicki Smith presented a billing and collections report, copy attached. After a brief review and discussion, upon motion by Director Higgins, seconded by Director Stevens, the Board unanimously approved the report as presented.

10. Mr. Goodall presented proposed changes to the District's Order Establishing Code of Ethics, Policies and Procedures for District Financial Affairs and Management. The attorney noted that during the last Texas legislative session, the law regarding disclosures of potential conflicts of interest was amended effective September 1, 2015 and will now require disclosure of family relationships between local government officers and vendors. The law also decreases the value of gifts a vendor may give to a local government officer without triggering a disclosure requirement to \$100, down from \$250. The law now provides that the only gifts that may be accepted by a local government official without triggering an obligation to file a conflicts disclosure statement are political contributions and food accepted as a guest. In other words, lodging, transportation and entertainment accepted as a guest are no longer exempt and are now required to be disclosed. Finally, the law expands the definition of local government officer to include agents. An agent is anyone who exercises discretion in the planning, recommending, selecting or contracting of a vendor. Agents include employees and can include consultants. After a full discussion, upon motion made by Director Higgins, seconded by Director Stevens, the Board unanimously adopted the attached Order Establishing Code of Ethics, Policies and Procedures for District Financial Affairs and Management. Mr. Goodall then presented Director/Agent Conflict of Interest questionnaires to each of the directors. The directors completed the questionnaires, noting no conflicts.

11. The Board considered public comments. Becky Adams requested the use of the District office building for the November, 2016 Civic Association meeting, and the Board unanimously agreed that the Civic Association could use the office building for the November, 2016 meeting.

12. The Board considered pending business. It was noted that it was appropriate for the Board to consider the previously discussed request of Ms. Smith and Ms. Graham for an increase to their contract rate for billing and collection services. After a brief discussion, upon motion made by Director Adams, seconded by Director Stevens, the Board unanimously approved increasing the rate paid for the service to \$1,100 per month for Ms. Smith and \$1,000 for Ms. Graham. There had been discussion regarding the need to amend the rate charged for the services of Junior and Eddie. Don Guillory will present a proposal to the Board at the next meeting, and the Board instructed Mr. Goodall to place an item for consideration of said proposal on the December Board meeting agenda.

13. Terry Stevens announced his resignation effective November 5, 2015. There was discussion regarding the process for appointing Mr. Stevens' replacement and it was noted that an item to discuss nominations for replacement should be placed on the December Board meeting agenda. The Board thanked Mr. Stevens for his many years of service.

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

Secretary