

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 70

Minutes of Meeting of Board of Directors
July 1, 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 July 1, 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 Brandy Woods, Bob Ideus, Pam Graham, Don Guillory, Eddie Robinson, Bobby Crippens, Ryan Nokelby, David Hunn, Troy Caufield, Greg Lentz, 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 minutes of the meeting held on June 3, 2015 were presented and reviewed. Upon motion made by Director Higgins, seconded by Director Stevens, the Board voted unanimously to approve the minutes as presented.

2. Don Guillory presented an operator/manager's report, a copy of which is attached to these minutes. Mr. Guillory briefly reviewed the report with the Board. Subject to further review and discussion, upon motion by Director Higgins, seconded by Director Adams, the Board voted unanimously to approve the operator/manager's report as presented.

3. Bob Ideus presented a bookkeeper's report, copy attached. The Board reviewed the report and the year-to-date operating budget attached thereto. After a brief discussion, upon motion made by Director Higgins, seconded by Director Stevens, the Board unanimously approved the bookkeeper's report as presented and authorized the issuance of the checks listed thereon.

4. Mr. Ideus presented a draft 2016 operating budget. After a review and input from those present and Mr. Ideus, upon motion made by Director Higgins, seconded by Director Stevens, the Board approved the draft budget as presented. It was noted that the Resolution formally adopting the fiscal year ending 2016 operating budget will be on the August Board meeting agenda.

5. Brandy Woods presented a tax report, copy attached, and noted that 2014 taxes are 97.90% collected. Upon motion by Director Higgins, seconded by Director Stevens, the Board voted unanimously to approve the tax assessor-collector's report as presented.

6. Greg Lentz approached the Board and presented an analysis regarding the District's ability to refund certain outstanding bonds in advance of their due date so that the District may realize interest savings. The Board discussed the analysis with Mr. Lentz and those present. The analysis demonstrated that a refunding opportunity is not available; however, some high interest maturities may be retired from District operating reserves. The Board discussed the cost/benefit analysis of depleting the operating reserves to realize certain interest cost savings. After discussion, it was agreed that retiring the bonds maturing on March 1, 2017 as of September 1, 2015 realized a prudent savings for the District. Subject to that discussion, upon motion made by Director Higgins, seconded by Director Stevens, the Board unanimously authorized serving notice of the District's intent to redeem the bonds as of September 1, 2015 and instructed District consultants to take the actions necessary to do so.

7. Ryan Nokelby and David Hunn presented the engineer's report, copy attached. Mr. Nokelby gave an update regarding the wastewater treatment plant operations as well as a capacity inquiry received by the District. Subject to that brief discussion and review, upon motion by Director Stevens, seconded by Director Adams, the Board unanimously approved the engineer's report as presented.

8. Pam Graham presented a billing and collections report, copy attached. After a brief discussion regarding the report, upon motion by Director Higgins, seconded by Director Stevens, the Board unanimously approved the billing and collections report as presented.

9. In the absence of anyone representing Deer Run Estates regarding the previously-discussed fire hydrant repainting project, the Board tabled discussion of the request.

10. Troy Caufield approached the Board and requested District assistance with civic league lighting at a park facility. After a brief discussion regarding the request, upon inquiry from the Board, it was agreed that the District will contribute up to \$35 per month for the lighting and that the civic league should invoice the District directly to the District's bookkeeper.

11. The Board considered public comments. Bobby Crippens inquired as to the possibility of shielding the wastewater treatment plant infrastructure from plain sight via Foley Road. The Board noted that the topic had been discussed in the past and took Mr. Crippens' request under advisement. Mr. Goodall reported that CenterPoint Energy had contacted his office and noted that they are in need of an easement from the District for a power line. According to CenterPoint representatives' statements, a power line was erected on District property along Foley Road in 1951 and an executed easement was never received from the District. CenterPoint now wishes to improve the line facilities and, thus, is requesting an easement as the error was recently discovered. Subject to that discussion, Mr. Goodall noted that his office will work with CenterPoint regarding the request and review any potential claims the District may have for use of the land without an easement.

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

Secretary