

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

April 10, 2017

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 71 (the "District") met in regular session, open to the public, on the 10th day of April, 2017, at the District Administration Building, 21437 Clay Road, Katy, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Katrina Thornhill	President
Pam Kerr	Vice President
Mary DuBois	Secretary
Phillip Smith, Jr.	Assistant Vice President
Jennifer Elms	Assistant Secretary

and all of the above were present except Directors DuBois and Elms, thus constituting a quorum.

Also present were Deputy Arhelger of Harris County Sherriff's Department; Tina Kelsey of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); Nick Cooke and Sherri Knoepfel of Mike Stone Associates, Inc.; Ana Duarte of Tax Tech, Inc.; Steve Woodring and Scott Barr of Regional Water Corporation ("RWC"); and Katie Carner and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

Director Thornhill called the meeting to order at 6:00 p.m.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Woodring discussed correspondence received from customer Leticia Porch objecting to the \$8 reconnection fee after her service was disconnected due to non-payment. He said that Ms. Porch's water service has been restored and that she paid the reconnection fees. Mr. Woodring recommended that no further action b.

Director Smith said a representative of the Vineyard Meadows Homeowner's Association will attend the April 26, 2017 Board meeting to request that the District participate in a sidewalk project along Vineyard Meadow Trail to Lakes of Bridgewater Drive.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES

At 6:05 p.m., the Board met in executive session to deliberate the deployment or specific occasions for implementation of security personnel or devices. The Board met with Deputy Arhelger. Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:32 p.m., the Board reconvened in Open Session.

Deputy Arhelger left the meeting.

MINUTES

The Board considered approving the minutes of the March 13, 2017 regular meeting. Following review and discussion, Director Kerr moved to approve the March 13, 2017 regular meeting minutes, as revised. The motion was seconded by Director Smith and passed unanimously.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE AND REPAIR AND DEVELOPMENT OF DISTRICT LAKES, PARKS AND RECREATIONAL FACILITIES

Mr. Cooke reported on the ongoing renovation of Bundy Lake Plaza, including schedules for flag and site furnishing installation, and recommended the Board approve the following change orders:

1. Change Order No. 1 in the amount of (\$2,353.21) for revisions to the landscape plan (tree substitution for trees originally specified) and irrigation installation; and
2. Change Order No. 2 in the amount of (\$2,190.76) eliminating 4 bollards from the site furnishings.

Following review and discussion, upon a motion by Director Thornhill and a second by Director Smith, the Board voted unanimously to approve the change orders listed above.

Mr. Cooke reviewed a proposal in the amount of \$17,850 from SignWorx, LLC for construction of a masonry monument sign at the Bundy Lake Plaza, a copy of which is attached. After review and discussion, because the proposal would result in the best and most economical completion of Phase 5 of the renovation project and based upon the recommendation of MSA, Director Smith moved to approve award of the contract for construction of a masonry monument sign at Bundy Lake Plaza with the LED lighting option and black trim option to SignWorx, LLC in the amount of \$17,850, subject to review of bonds and insurance. The motion was seconded by Director Kerr and passed unanimously.

Ms. Knoepfel updated the Board regarding the ongoing renovation of Administration Building kitchen, including schedules for delivery of cabinetry tops, and requested the Board approve additional drywall work needed, removal of the soda

fountain and removal of the roll up window at the service counter. Following discussion, the Board concurred to approve the revisions requested by MSA.

The Board discussed a collapsed segment of trail at Lone Star Lake and asked BGE to work with MSA and Storm Water Solutions to block off, inspect and televise the underground, if necessary, to determine the cause of the collapse and make a recommendation to the Board.

Ms. Knoepfel reviewed a proposed replacement schedule for District pond fountains. Following review and discussion, the Board took no action, but requested that MSA add the fountains to the parks capital improvement plan and to the District's GIS system.

Mr. Cooke reported that he met with contractor, 4-n-1 Design to discuss and get cost estimates for future Bundy Lake Plaza park renovations.

Mr. Cooke discussed the duck population at Bundy Lake and said a Texas Parks and Wildlife game warden is coming to assess the duck population and recommend a plan for population control. Discussion ensued regarding proposals for increased routine power washing of Bundy Lake Plaza to remove bird/duck droppings.

Mr. Cooke reported that Texas Kids Daycare made an inquiry regarding the District accepting responsibility for their private detention facility after Harris County (the "County") rejected their permit application. He explained private versus public facilities and gave them Storm Water Solutions, LLC's contact information.

GARBAGE COLLECTION AND RECYCLING

The Board reviewed a garbage collection tonnage report for the month of March, 2017 received from Best Trash, LLC ("Best Trash"), and requested that Best Trash provide additional months of tonnage data. A copy of the March, 2017 report is attached.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Duarte reviewed the monthly tax assessor/collector's report, a copy of which is attached, including an update on 2016 taxes collected as of March 31, 2017. After review and discussion, Director Smith moved to (1) approve the tax assessor/collector's report; and (2) authorize payment of the bills presented for payment from the tax account. Director Kerr seconded the motion, which carried unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Kelsey reviewed a summary of the bookkeeper's report and investment report, copies of which are attached, and presented the bills for payment. After review and discussion, Director Kerr moved to approve the bookkeeper's report, investment report and payment of the bills submitted. The motion was seconded by Director Thornhill and passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Woodring then distributed the operator's report, a copy of which is attached, reviewed the operations and repairs performed in the District during the previous month and recommended that the Board approve the following repairs:

1. Refurbishment of return sludge pump no. 2 at the wastewater treatment plant for an estimated cost of \$9,900; and
2. Replacement of effluent blower no. 2 at the wastewater treatment plant for an estimated cost of \$3,200.

Mr. Woodring reported on pumpage numbers for March 2017 and current water and wastewater capacity. He also reported on build out projections, and pending insurance claims.

Following review and discussion, Director Smith moved to (1) approve the operator's report; (2) authorize refurbishment of return sludge pump no. 2 at the wastewater treatment plant for an amount not to exceed \$9,900; and (3) authorize replacement of effluent blower no. 2 at the wastewater treatment plant for an amount not to exceed \$3,200. The motion, which was seconded by Director Kerr, passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Woodring updated the Board regarding customer compliance with previously approved customer payment plans.

Mr. Woodring then presented a list of delinquent customers to the Board and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Thornhill moved to authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of Jemesia McDonald. The motion was seconded by Director Smith and passed by unanimous vote.

ANNUAL REPORT ON IDENTITY THEFT PREVENTION PROGRAM

Mr. Woodring distributed and reviewed an annual report on the District's Identity Theft Prevention Program ("Program") reflecting the effectiveness of the Program in addressing Identity Theft risk. He noted that RWC is required to prepare an annual report as Program Administrator. Mr. Woodring stated that the annual report indicates no significant incidents of Identity Theft detection and he recommends no changes to the Program at this time.

RESOLUTION APPROVING TREASURY MANAGEMENT SERVICES AND AUTHORIZING OPERATOR

Ms. Carner said RWC is requesting to enter into a Treasury Management Services Agreement with BBVA/Compass . She reviewed a Resolution Approving Treasury Management Services and Authorizing Operator (the "Resolution") in connection with RWC's agreement with BBVA/Compass. Following review and discussion, Director Smith moved to approve the Resolution. The motion was seconded by Director Thornhill and passed unanimously.

ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

Mr. Woodring reviewed the Water Conservation Plan annual report with the Board. After review and discussion, Director Thornhill moved to approve the annual report on the Water Conservation Plan, direct that the report be filed appropriately and retained in the District's official records, and authorize the District Operator to submit the report to the appropriate government agencies. Director Kerr seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board next reviewed the District's Drought Contingency Plan. Following review and discussion, the Board concurred that no revisions were necessary.

ENGINEERING MATTERS

Ms. Efaw presented the engineer's report and updated the Board regarding engineering matters and the status of current construction projects more specifically described in the attached engineer's report.

Ms. Efaw discussed installing generators to provide alternate power supply to the Mason Road and Vineyard Meadows lift stations. Ms. Efaw reported on size issues with the proposed generator pad site for the Mason Road lift station. Discussion ensued regarding funding installation of the proposed generators with available surplus funds.

Ms. Efaw reported regarding construction of Mason Road Sanitary Sewer Extension, Phase 2 and recommended approval of Pay Estimate No. 3 and Final in the amount of \$27,649.47, payable to Canyon Construction Company, Change Order No. 1 deducting \$13,677 from the original contract and an invoice from Ninyo & Moore in the amount of \$9,047.

Ms. Efaw discussed the status of construction of water, sewer and drainage facilities to serve Bridgewater Meadows, Section 4 and recommended approval of Pay Estimate No. 3 in the amount of \$21,487.50, payable to Crosstex Construction and Change Order No. 2 for an extension of 30 days.

Ms. Efaw updated the Board regarding the status of construction of water, sewer and drainage facilities to serve Lakes at Mason Park, Sections 5 and 6 and recommended the Board approve Pay Estimate No. 2 in the amount of \$325,661.43, payable to Lischka Utilities, and Change Order No. 1 in the amount of \$8,327.80.

Ms. Efaw then recommended that the Board accept a water meter easement from Fleetwood Church of Christ.

Ms. Carner discussed the status of repair, seeding and stabilization of the detention facilities at the Lakes at Mason Park and said that Storm Water Solutions, LLC recommends that the District transfer the storm water quality permit into the District's name. Discussion ensued regarding geotechnical compaction testing as part of the development of Lakes at Mason Park, Sections 5 and 6.

Following review and discussion, upon a motion by Director Thornhill and a second by Director Kerr, the Board voted unanimously to (1) approve the engineering report; (2) approve all pay estimates, change orders and invoices discussed above upon the recommendation of BGE; (3) accept a water meter easement from Fleetwood Church of Christ, as recommended by BGE; and (4) authorize transfer of the storm water quality permit for the detention facilities at the Lakes at Mason Park into the District's name.

DISTRICT WEBSITE

The Board requested that RWC work with the District's website administrator to deliver a subscriber email to District customers regarding the flushing and water quality notice included in the utility billing.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

There was no discussion under this agenda item.

ATTORNEY'S REPORT

The Board reviewed and revised the Action List and discussed and amended the status of the items listed. The Board discussed agenda items for the April special meeting.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board determined it was not necessary to convene in executive session.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:58 p.m. Director Smith seconded the motion, which passed unanimously.

Mary DuBois
Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u>
	<u>Page</u>
overview for construction of renovation of the Bundy Lake Plaza	2
garbage collection tonnage report	3
tax assessor/collector's report	3
bookkeeper's report.....	4
investment report	4
operator's report	4
engineer's report.....	5