

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

August 14, 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 14th day of August 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, thus constituting a quorum.

Also present were Deputy Steve Arhelger of Harris County Sherriff's Department; Tina Kelsey of Myrtle Cruz, Inc.; Russell Eddy, District resident; Carlos Garcia and Angelica Garcia, residents of Harris County Municipal Utility District No. 287 ("No. 287"); Nick Cooke of Mike Stone Associates, Inc. ("MSA"); Alene Efaw of BGE, Inc. ("BGE"); Esther Flores of Tax Tech, Inc.; Steve Woodring, Ginny 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. Garcia said he was attending the meeting to hear about the status of the proposed sidewalk along Mason Road and pedestrian bridge for access to Morton Ranch Elementary.

Mr. Woodring then reviewed website inquiries requiring no Board action, including inquiries from Francisco Zamarripa, Lisa McNeill and Michelle Garcia.

Director Elms noted significant washout on Mayde Creek adjacent to Director's Park and discussion ensued regarding calls made and correspondence to Harris County Flood Control District regarding same.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

Ms. Carner updated the Board regarding the Morton Ranch Homeowner's Association's ("Morton Ranch HOA") response regarding overseeing and maintaining

the proposed sidewalk along Mason Road and pedestrian bridge for student access to Morton Ranch Elementary. She said the Morton Ranch HOA meets at the end of the month and will continue discussion regarding proposed oversight and maintenance by the Morton Ranch HOA.

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 6:25 p.m., the Board reconvened in Open Session.

MINUTES

The Board considered approving the minutes of the July 10, 2017 regular meeting. Following review and discussion, Director Smith moved to approve the July 10, 2017 regular meeting minutes, as submitted. The motion was seconded by Director DuBois and passed by a vote of 4 to 0, with Director Kerr abstaining from voting.

GARBAGE COLLECTION AND RECYCLING

There was no discussion for this agenda item.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Flores reviewed the monthly tax assessor/collector's report, a copy of which is attached, including an update on 2016 taxes collected as of July 31, 2017. After review and discussion, Director Kerr 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 Smith seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

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

Mr. Cooke reviewed a Parks Management Report, a copy of which is attached to these minutes.

Mr. Cooke updated the Board regarding maintenance completed at Bundy Lake, including ongoing efforts to control duck population at Bundy Lake and installation of back-flow cage. Mr. Cooke presented and discussed the proposed scope of work for the following maintenance and repair proposals for Bundy Lake:

1. Bundy Lake Monument lighting photo cell replacement; proposal from Spark Lighting in the amount of \$161; and
2. Bundy Lake 120v supply line to Bundy Lake gazebo; proposal from Spark Lighting in the amount of \$994.75.

Mr. Cooke updated the Board regarding maintenance completed at Director's Park, including installation of an activation bollard retro fit kit for the splash pad button. Mr. Cooke also discussed initial estimates to install an underground cistern for a reclaimed water system at the splash pad. Following discussion, the Board requested installation pricing on both above and underground cisterns.

Mr. Cooke updated the Board regarding ongoing investigation of a collapsed segment of trail and trail cracking at Lone Star Lake.

Mr. Cooke next discussed a proposal from Four Palms Construction in the amount of \$3,335 to replace the sidewalk at the wastewater treatment plant. Additional discussion ensued regarding installation of an automatic gate at the wastewater treatment plant.

Mr. Cooke reviewed a proposal from Lake Management Services in the amount of \$3,372.09 to install a horizontal fountain conversion kit at Mirror Lake.

Following review and discussion, Director Smith moved to (1) approve the Parks Management Report; (2) approve a proposal from Spark Lighting for an amount not to exceed \$161 to replace the photo cell at the Bundy Lake Monument; (3) approve a proposal from Spark Lighting for an amount not to exceed \$994.75 to install a 120v supply line to the Bundy Lake gazebo; and (4) approve a proposal from Lake Management Services for an amount not to exceed \$3,372.09 to install a horizontal fountain conversion kit at Mirror Lake. The motion was seconded by Director Elms and passed unanimously.

Mr. Cooke said MSA will bring Bundy Lake fencing options and pricing to the August special meeting.

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 Thornhill moved to approve the bookkeeper's report,

investment report and payment of the bills submitted. The motion was seconded by Director Kerr 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 requested authorization to make a tap line leak repair at 3510 Lakearies for an estimated amount of \$3,100. Mr. Woodring reported on pumpage numbers for July 2017 and current water and wastewater capacity. He also reported on build out projections, and pending insurance claims. He updated the Board regarding ongoing efforts to reduce influent rag/debris accumulation at the wastewater treatment plant.

Discussion ensued regarding the District's current available utility payment options and the number of customers using each payment option.

The Board next reviewed and discussed a high volume water users report for the month of July, 2017 and District water conservation efforts.

The Board next considered a request from Westside Baptist Church requesting to amend their capacity commitment to use only a portion of the total number of connections currently allocated to them.

Mr. Woodring discussed the following requests to use the District Administration Building:

1. Dayspring Light Center requesting rental of the District Administration Building for an indeterminate amount of time on Sundays at the non-profit rental price; and
2. Harris County Clerk requesting use of the District Administration Building at no charge for the November 7, 2017 election.

Following review and discussion, Director Smith moved to authorize use of the District Administration Building on November 7, 2017 by the Harris County Clerk's Office. Director Elms seconded the motion, which passed unanimously.

Mr. Woodring updated the Board regarding ongoing discussions with O'Reilly's Auto Parts ("O'Reilly's) and their contractor regarding O'Reilly's request that the District reduce the District tap fee for the installation of the water meter vault. Mr. Woodring said RWC has contacted the contractor to see if the contractor would offer a 5-year warranty on the installation and is waiting on a response. Following discussion, the Board concurred to deny the request for a partial refund/credit of the District's tap fee.

Following review and discussion, Director Elms moved to (1) approve the operator's report; and (2) authorize a tap line leak repair at 3510 Lakearies for an estimated amount of \$3,100. The motion, which was seconded by Director Smith, passed unanimously.

Director Thornhill updated Mr. Garcia regarding the status of the proposed sidewalk along Mason Road and pedestrian bridge for improved student access to Morton Ranch Elementary. Mr. Garcia asked where the proposed pedestrian bridge would be situated and reported students making unauthorized access across his property to get to Morton Ranch Elementary.

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 Kerr 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 unanimously.

WATER WISE SPONSORSHIP

There was no discussion and no action was taken on this agenda item.

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 the status of the District's offer to the Protestant Episcopal Church Council of the Dioceses of Texas (the "Church") to purchase an 18' x 40' tract needed to install a generator to serve the Mason Road lift station and the Church's counteroffer of \$7,200 and request that the District pay all closing costs. Following discussion, Director Kerr moved to accept the Church's counteroffer. Director Smith seconded the motion, which passed unanimously.

Ms. Efaw discussed the construction schedule for Water Plant No. 1 and No. 2 Improvements and recommended approval of Pay Estimate No. 14 in the amount of \$125,167.50, payable to Long & Sons, Inc., and an invoice from Tolunay-Wong Engineers, Inc. in the amount of \$470. Following discussion regarding the construction schedule, the Board concurred to authorize ABHR to send a letter to Long & Sons, Inc. notifying the contractor that the District will hold Pay Estimate No. 14 until submission of an updated schedule and recommencing of work on site.

Ms. Efaw reported on the status of construction of Water Plant No. 3 and recommended approval of Pay Estimate No. 5 in the amount of \$577,552.50, payable to WW Payton and an invoice from Ninyo & Moore for materials testing in the amount of \$1,780.50.

Ms. Efaw next reported regarding the Wastewater Treatment Plant Improvements and recommended approval of Pay Estimate No. 8 in the amount of \$48,854.70 and Pay Estimate No. 9 in the amount of \$11,250, both payable to R&B Group, and invoice from Tolunay-Wong Engineers in the amounts of \$2,721.50 and \$776.

Following review and discussion, upon a motion by Director Elms and a second by Director DuBois, the Board voted unanimously to (1) approve the engineering report; and (2) approve all pay estimates and invoices discussed above upon the recommendation of BGE, with Pay Estimate No. 14 to Long & Sons, Inc. to be held by the bookkeeper until submission of an updated schedule and recommencing of work on site.

Director Smith discussed an inquiry received regarding ownership of a tract at the corner of Mason Road and Morton Ranch. Ms. Efaw confirmed the District is not the owner.

DISTRICT WEBSITE

Director Smith discussed information shared on social media about the District website post regarding the history of Bundy Lake.

DISCUSS HOLIDAY IN THE PARK

The Board confirmed Holiday in the Park will be held on December 16, 2017 from 4:00 p.m. to 6:30 p.m. and discussed vendors and a budget for the event. Following discussion, Director Smith moved to approve a budget of \$4,000 for Holiday in the Park 2017. Director Elms seconded the motion, which passed unanimously.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

Discussion ensued regarding District consultant communications with District homeowner's associations.

Director Elms said she would contact Harris County Environmental Public Health Division regarding reported resident washing of duck waste into District storm sewers located in the District.

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

Discussion continued regarding the proposed sidewalk along Mason Road and pedestrian bridge for improved student access to Morton Ranch Elementary. Following discussion, the Board concurred that the District may consider contributing funds to the project, but not owning or maintaining it.

RENEWAL OF INSURANCE EXPIRING OCTOBER 1, 2017

The Board discussed upcoming renewal of the District's insurance on October 1, 2017 and concurred to request a renewal proposal only from the District's current carrier and to submit same for review by Director Thornhill in advance of the September regular Board meeting.

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 August special meeting.

Director Elms inquired about the status of discovery in the Valleria Woods matter. Ms. Carner said she would update the Board at the August, 2017 special meeting.

OPERATION OF DISTRICT FACILITIES (CONTINUED)

Additional discussion ensued regarding rental of the District Administration Building by Dayspring Light Center. Following discussion, the Board requested additional information regarding anticipated attendance numbers.

Discussion ensued regarding customer service inspections and Rate Order provisions regarding termination of service for backflow violations.

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 8:30 p.m. Director Elms seconded the motion, which passed unanimously.

Mary DuBois

Secretary, Board of Directors

(SEAL)



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