

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

November 13, 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 13th day of November 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 Director DuBois, thus constituting a quorum.

Also present were Tina Kelsey of Myrtle Cruz, Inc.; Saberena White and Allen Soto, District residents; Deputy Steve Arhelger of the Harris County Sheriff's Office; Rodney Heisch of BGE, Inc. ("BGE"); Esther Flores and Laura Flores of Tax Tech, Inc.; Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC; Nino Corbett of Compass Land Development, LLC; Joe Goggans of United Development Funding; James 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.

ENGINEERING MATTERS

Mr. Corbett confirmed deposit of funds with the District bookkeeper, as requested by the Board, to cover feasibility study expense for a proposed development and annexation of a 14 acre tract. He said he has no objection to the Board's decision at the October 30, 2017 to require design of the proposed detention facilities as dry bottom and to establish that any additional amenities will be at the developer's expense. Mr. Heisch discussed an option to combine the proposed pond on Mr. Corbett's tract with existing detention to the west. Discussion ensued regarding feasibility study completion and development schedules.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Soto reported a higher than normal water bill following Hurricane Harvey and requested waiver of late fees. The Board requested that RWC investigate Mr. Soto's disputed usage and fees and report back to the Board.

Ms. Miller provided a copy correspondence from District customer, Matt Huber, disputing higher than usual water charges. Mr. Woodring said that RWC checked Mr. Huber's water meter and adjusted his utility bill to reflect the correct meter reading following receipt of his email. Director Smith requested that RWC inform Mr. Huber of the adjustment made and check RWC's records to see if Mr. Huber contacted RWC previously to dispute meter readings.

The Board next discussed an inquiry from District customer, Shirley McCord, requesting that the Board consider implementing electronic billing.

Mr. Woodring then reviewed website inquiries requiring no Board action.

REPORT ON DEVELOPMENT

Mr. Ellis reviewed a supplemental developer reimbursement report for the District's Series 2015A Unlimited Tax Bonds (the "reimbursement report"). Mr. Goggans updated the Board regarding completion of construction of water, sewer and drainage facilities to serve Lakes at Mason Park, Sections 5 and 6, including an update on Harris County inspection and acceptance. Mr. Goggans clarified that Harris County's pending punch list items are unrelated to paving. He said Harris County will re-inspect the project on November 28, 2017. Mr. Heisch said BGE would be on site during the inspection. Following review and discussion, Director Kerr moved to (1) approve the supplemental developer reimbursement report for the District's Series 2015A Unlimited Tax Bonds; and (2) approve disbursement of bonds proceeds, as directed in the reimbursement report, subject to BGE's attendance at Harris County's final inspection and upon confirmation that the inspection found no remaining deficiencies. The motion was seconded by Director Elms and passed unanimously.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC (CONTINUED)

Ms. White discussed high water usage during the months of July and August, 2017. Discussion ensued regarding the District's leak adjustment policy and the Board concurred to request that RWC recheck Ms. White's water meter.

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 6:49 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 7:03 p.m., the Board reconvened in Open Session.

MINUTES

The Board considered approving the minutes of the October 9, 2017 regular meeting. Following review and discussion, Director Elms moved to approve the October 9, 2017 regular meeting minutes, as submitted. The motion was seconded by Director Thornhill and passed by a vote of 3 to 0, with Director Smith abstaining from voting.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

Director Smith discussed changing the lighting program at the Bundy Lake Park monument.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Laura Flores reviewed the monthly tax assessor/collector's report, a copy of which is attached, including an update on 2016 taxes collected as of October 31, 2017.

Ms. Laura Flores requested inclusion of a message in the utility billing notifying residents that tax bills for 2017 have been mailed.

After review and discussion, Director Smith moved to (1) approve the tax assessor/collector's report; (2) authorize payment of the bills presented for payment from the tax account; and (3) authorize inclusion of a message in the utility billing notifying residents that tax bills for 2017 have been mailed. Director Thornhill seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

GARBAGE COLLECTION AND RECYCLING

The Board discussed the District's garbage collection contract with Best Trash, LLC and concurred to continue the contract under the automatic renewal provision within the contract.

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 Smith 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.

The Board requested that B&A Municipal Tax Service, LLC attend the December, 2017 Board meeting to update the Board regarding management of the District's sales tax collections.

ANNUAL REVIEW OF INVESTMENT POLICY AND AUTHORIZED DEPOSITORY INSTITUTIONS AND QUALIFIED BROKER/DEALERS

The Board reviewed the District's Investment Policy and considered adopting a Resolution Adopting an Amended Investment Policy to incorporate 2017 legislative changes regarding public funds. After review and discussion, Director Elms moved to approve a Resolution Adopting an Amended Investment Policy. Director Thornhill seconded the motion, which passed unanimously.

The Board then reviewed the District's Investment Policy and a list of the District's list of depositories and qualified broker/dealers. After review and discussion, Director Thornhill moved to approve a Resolution Establishing the Authorized Depository Institution and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Director Elms seconded the motion, which passed by a vote of 3 to 0, with Director Kerr being absent during voting.

OPERATION OF DISTRICT FACILITIES

Mr. Woodring then distributed the operator's report, a copy of which is attached, and reviewed the operations and repairs performed in the District during the previous month. Mr. Woodring reported on pumpage numbers for October 2017 and current water and wastewater capacity.

The Board next reviewed and discussed a high volume water users report for the month of October 2017 and District water conservation efforts and discussed RWC procedures for re-reading meters registering higher than average usage during a billing cycle. Director Smith requested that the high volume water users report be revised to include billed amounts.

Mr. Woodring presented and discussed a customer appeal from Travis Tudor requesting reimbursement for repair of his plumbing bill to repair the customer's service line. After discussion, the Board concurred to request that RWC provide Mr. Tudor with the District's leak adjustment policy.

Mr. Woodring next reviewed a customer appeal from Caryl LeBlanc requesting an adjustment on a high water bill during the month of September 2017. Mr. Woodring said the customer submitted a leak adjustment request, but does not meet the requirements for relief pursuant to the District's leak adjustment policy. Following review and

discussion, Director Smith moved to authorize RWC to offer the customer a 6 month payment plan. The motion was seconded by Director Elms and passed by a vote of 3 to 1, with Director Kerr voting against the motion.

Mr. Woodring said the Holiday in the Park event flyer will be mailed out on November 23, 2017.

Following review and discussion, Director Elms moved to approve the operator's report. The motion, which was seconded by Director Smith, 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 Elms 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.

ENGINEERING MATTERS

Mr. Heisch 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.

Mr. Heisch reviewed bids for the installation of generators at the Mason Road, Vineyard Meadows, Mason Lake, Bridgewater Meadow and Lakes at Mason Park lift stations and recommended the Board award a contract to McDonald Municipal and Industrial - a Division of C. F. McDonald Electric in the amount of \$376,469, because the award would result in the most economical completion of the project. Discussion ensued regarding lead time for purchase of the generators.

Ms. Carner presented a Special Warranty Deed from the Protestant Episcopal Church conveying additional property at the Mason road lift station to the District.

Mr. Heisch discussed the status of Water Plant No. 1 and No. 2 Improvements and recommended the Board approve Pay Estimate No. 15 in the amount of \$25,087.50, payable to Long & Sons.

Mr. Heisch next reported the status of wastewater treatment plant improvements and recommended the Board approve an invoice to Tolunay-Wong Engineers in the amount of \$1,525 for materials testing. Discussion ensued regarding recent correspondence from the contractor. Mr. Barr discussed schedules for taking the plant offline.

Mr. Heisch next discussed correspondence from the West Harris County Regional Water Authority summarizing the schedule for conversion of water plant nos. 1 and 2 to surface water. Discussion ensued regarding converting water plant no. 3 to chloramine disinfection simultaneously.

Mr. Heisch updated the Board regarding Harris County's plans to install a traffic signal at Morton Ranch Road and Elrod Road, which may require relocation of District facilities in conflict with the proposed improvements.

Discussion ensued regarding construction behind the Shell station on Mason Road and a pending request from the Westside Baptist Church to reduce their capacity allocation.

Ms. Carner reported that the developer of Bridgewater Meadow, Section 4 is requesting to begin the process to convey the detention pond in Bridgewater Meadow, Section 4 to the District. Ms. Carner presented a proposal from Berg Oliver Associates to conduct a Phase I Environmental Survey of the subject property. Mr. Heisch reported that Storm Water Solutions, LLP is working with the contractor in Bridgewater Meadow, Section 4 to bring the pond into compliance before conveyance to the District at no cost to the District.

Director Smith updated the Board regarding recent meetings with Storm Water Solutions, LLP at District detention and drainage facilities.

Following review and discussion, upon a motion by Director Elms and a second by Director Kerr, the Board voted unanimously to (1) approve the engineering report; (2) approve all pay estimates and invoices submitted for approval, as discussed above; (3) upon the recommendation of BGE and because it would result in the most economical completion of the project, award a contract to McDonald Municipal and Industrial - a Division of C. F. McDonald Electric in the amount of \$376,469 for the installation of generators at the Mason Road, Vineyard Meadows, Mason Lake, Bridgewater Meadow and Lakes at Mason Park lift stations; (4) accept a Special Warranty Deed from Protestant Episcopal Church Council of the Diocese of Texas and authorize payment in the amount of \$7,200 to the Protestant Episcopal Church Council of the Diocese of Texas; and (5)

approve a proposal from Berg Oliver Associates to conduct a Phase I Environmental Survey of the detention tract in Bridgewater Meadow, Section 4.

DISTRICT WEBSITE

Director Elms reviewed a website analytical report. The Board then concurred to request that the District's leak adjustment policy be added to the District website.

HOLIDAY IN THE PARK

Mr. Woodring updated the Board regarding plans, preparation and confirmations for the District's annual Holiday in the Park.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

Directors Kerr and Smith discussed the Association of Water Board Directors fall seminar.

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 November special meeting.

HOLIDAY MEETING SCHEDULE

The Board confirmed one meeting only for all District business on December 11, 2017.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 8:37 p.m. Director Elms seconded the motion, which passed unanimously.

Mary DuBois
Secretary, Board of Directors



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