

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

January 9, 2012

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 9th day of January, 2012, 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
Garth Freeze	Assistant Vice President
Phillip Smith, Jr.	Assistant Secretary

and all of the above were present.

Also present were David Glunt, representing Buffington Mason Park, Ltd. and Six J Investments, Inc.; Terry Holland of Myrtle Cruz, Inc.; Rodney Heisch of Brown & Gay Engineers, Inc. ("Brown & Gay"); Greg Ordeneaux of Tax Tech, Inc.; David Banasau, District resident; Steve and Ginny Woodring of Regional Water Corporation ("RWC"); Chris Browne of Edminster, Hinshaw, Russ & Associates, Inc. ("EHRA"); Sergeant Grady Castleberry, Captain Lanny Hitchcock and Officer Steve Arhelger of Harris County Sheriff's Department; Brad Seaback and John Chandler of Seaback Maintenance; Anthea Moran with First Southwest Company; and Lynne B. Humphries and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

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

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 6:00 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 Sergeant Grady Castleberry, Captain Lanny Hitchcock and Officer Steve Arhelger of Harris County Sheriff's Department.

RE-CONVENE IN OPEN SESSION

At 6:27 p.m., the Board reconvened in Open Session. Director Kerr moved to change the patrol shifts, as discussed in executive session. Director Smith seconded the motion, which passed unanimously.

COMMENTS AND WEBSITE INQUIRIES

Mr. Banasau discussed an \$8.00 delinquent letter charge assessed on his account and requested that the Board waive same. He also requested that the Board consider recycling and constructing a walking trail around the top edge of Morton Ranch Lake. He also reported graffiti tag locations.

Mr. Woodring discussed a website inquiry from Robert Mann of VF Waste Services regarding submitting a proposal for waste collection services. Ms. Humphries said that the District's contract with Best Trash will expire in June, 2013. Mr. Woodring also reported a website comment from Liliana Delagarza regarding the 5% service fee for online payments. Following discussion, the Board requested that Mr. Woodring explain the bank or processing company pass through service charges to Ms. Delagarza.

APPOINT PAYING AGENT/REGISTRAR, ESCROW AGENT, PRELIMINARY OFFICIAL STATEMENT, OFFICIAL NOTICE OF SALE AND ADVERTISEMENT FOR SALE OF THE SERIES 2011 BONDS

Ms. Moran reviewed the Preliminary Official Statement and Official Notice of Sale for the District's \$4,250,000 Unlimited Tax Bonds, Series 2012 (the "Series 2012 Bonds"). The Board also considered appointing a Paying Agent/Registrar for the Series 2012 Bonds.

The Board then considered advertisement of the sale of the Series 2012 Bonds. Ms. Moran recommended a bond sale for February 13, 2012 and a closing of March 14, 2012.

Following review and discussion, Director DuBois made a motion to appoint Wells Fargo Bank N.A. as the Paying Agent/ Registrar of the Series 2012 Bonds, to authorize advertisement of the District's Series 2012 Bonds and authorize ABHR to schedule the bond sale for February 13, 2012. The motion was seconded by Director Thornhill and carried by unanimous vote.

Ms. Moran reviewed a financial analysis of savings potentially created by a proposed refunding bond issuance, discussed current bond market conditions and issuance costs of the refunding bonds. Ms. Moran also discussed the City of Houston's requirements applicable to the District's refunding bonds. Following discussion, the Board concurred that Ms. Moran move forward and take the necessary steps to issue the refunding bonds.

DEVELOPMENT IN THE DISTRICT

Mr. Glunt discussed development in the Lakes at Mason Park and said that stage 2 inlets are being installed in Phase 2, which is almost complete. He also reported information on local housing markets and lot availability presented by Metrostudy at a recent event.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Mr. Ordeneaux reviewed the monthly tax assessor/collector's report. Mr. Ordeneaux reported that the 2011 taxes are 6% collected as of December 31, 2011 and discussed historical collections. After review and discussion, Director Thornhill moved to approve the tax assessor/collector's report and 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.

FINANCIAL AND BOOKKEEPING MATTERS

Mr. Holland reviewed the bookkeeper's report and investment report, and presented the bills for payment. Mr. Holland reported an expiring certificate of deposit at Oasis Bank renewed through Compass Bank and renewal of a certificate of deposit with Third Coast Bank. After review and discussion, Director DuBois moved to (1) approve the bookkeeper's report and investment report; and (2) approve the bills presented for payment by the District, with the exception of check no. 8574 to Seaback Maintenance withheld at the request of Brad Seaback. Director Thornhill seconded the motion, which carried unanimously. Copies of the bookkeeper's report and investment report are attached. Mr. Seaback said that the invoice from Seaback Maintenance will be voided and reissued.

DEVELOPMENT AND MAINTENANCE OF DISTRICT, DETENTION PONDS, LAKES, PARKS, AND RECREATIONAL FACILITIES

Director Kerr commented regarding mowing costs credited by Seaback Maintenance in 2011 and used for planting flowers.

Mr. Browne updated the Board on the status of installation of lighting and bird spike strips at the Bundy Lake monument. He said that there will be a meeting tomorrow to hook up lights. He discussed the installation schedule and said that work completed will include another coat of paint on the monument.

The Board discussed a Master Services Agreement for park and landscape maintenance and proposals for same. Mr. Woodring recommended that the Board authorize an overall scope of services for all recreational facilities. Following

discussion, the Board concurred to defer discussion on this agenda item to the special meeting.

The Board next discussed Mr. Banasau's request for a trail around the top edge of Morton Ranch Lake. Following discussion, the Board requested that Mr. Browne obtain estimates for a trail around the top edge of Morton Ranch Lake.

Director Smith next requested that Mr. Woodring price flags for the flagpole at the Bundy Lake monument. Following discussion, the Board requested that ABHR send a letter to Congressman Mike McCaul and State Representative Bill Callegari requesting flags flown over the national and state capitols. Mr. Woodring said that he would obtain pricing for flag lighting.

MINUTES

The Board considered approving the minutes of the regular meeting on December 12, 2011. Following review and discussion, Director Kerr moved to approve the minutes of the regular meeting on December 12, 2011, as amended. Director Thornhill seconded the motion, which passed unanimously.

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 pumpage numbers for December, 2011, but said the numbers do not include water pumped from remote well no. 4. Mr. Woodring stated that the joint water accountability for the month of December was 94.4% and 7 new residential taps were installed in the District. Mr. Woodring discussed District well run times. Mr. Woodring noted a compliance issue in December, 2011 when de-chlorination equipment malfunctioned, which has since been reported and resolved.

Following review and discussion, Director Smith moved to approve the operator's report. Director DuBois seconded the motion, which carried unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

The Board received information and comment from the District operator regarding Mr. Banasau's request that the Board waive an \$8.00 delinquent letter fee. After consideration of the information provided by the District operator and the provisions of the District's Rate Order, Director Smith moved to waive the fee. Director Thornhill seconded the motion, which passed unanimously.

The Board then conducted a hearing on the termination of utility service. Mr. Woodring reported that the residents on the attached termination list were mailed written notice prior to this meeting in accordance with the District's Rate Order, notifying them of the opportunity to appear before the Board to explain, contest, or correct the utility service bill and to show reason why service should not be terminated for reason of nonpayment. Director Kerr then moved that since the residents on the termination list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with the procedures set forth in the District's Rate Order. Director Smith seconded the motion, which carried unanimously.

GARBAGE COLLECTION

The Board discussed the substantial garbage left at the curb at 3811 Rolling Springs when the house was vacated. Mr. Woodring said that the resident has disconnected service and the security deposit on hand is not sufficient to cover the cost of special garbage removal fees. Following review and discussion of the photos presented showing the garbage, Director Kerr moved to authorize Best Trash to pick up the trash on a special trip, authorize the District operator to forward an invoice to the previous resident and, going forward if the circumstances repeat, have Best Trash pick up resident trash left after disconnection for a pick up amount not to exceed \$200 and authorized the operator to invoice the customer the cost of trash pick up services. Director Thornhill seconded the motion which 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 in the District. A copy of the engineer's report is attached.

Mr. Heisch stated design and plan preparation is complete for the construction of water, sewer, and drainage facilities to serve Vineyard Meadow, Sections 5 and requested that the Board authorize advertisement for bids for construction.

Ms. Humphries next discussed an Amended Joint Wastewater Facilities Agreement with Harris County Municipal Utility District No. 287.

Mr. Woodring next reviewed with the Board an alternate plat showing areas where the 4 foot iron fencing needs to be replaced around Bundy Lake. Following review and discussion, the Board requested that Mr. Woodring obtain pricing for 4 foot fencing. The Board discussed fence location and property ownership.

Following review and discussion and based upon the engineer's recommendation, Director Smith moved to (1) authorize the District engineer to authorize for bids for construction of Vineyard Meadows, Section 5; and (2) to approve an Amended Joint

Wastewater Facilities Agreement with Harris County Municipal Utility District No. 287. Director Freeze seconded the motion, which passed unanimously.

DISTRICT WEBSITE

Director Smith reported recent updates to the District website.

REVIEW ACTION LIST

The Board reviewed and revised the Action List, a copy of which is attached.

ADMINISTRATION BUILDING

Director Kerr requested that Mr. Woodring repair the chairs in the Administration Building meeting chamber or get proposals for new chairs.

SECURITY REPORT AND CONTRACTS

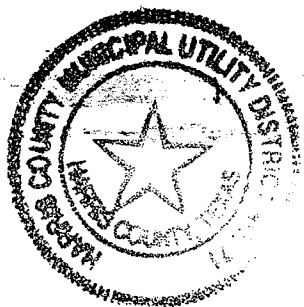
The Board requested that Mr. Woodring discuss security with the Lakes of Bridgewater Homeowners' Association ("HOA"), specifically to see if the HOA has any interest in changing the contract to the Harris County Constable.

MEETING SCHEDULE

The Board concurred to hold a special in-District meeting on January 24, 2012.

There being no further business to discuss, the meeting was adjourned.

(SEAL)



Mary Dubois

Secretary, Board of Directors

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