

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

November 11, 2013

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 11th day of November, 2013, 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 Mary Jarmon of Myrtle Cruz, Inc.; Rodney Heisch of Brown & Gay Engineers, Inc. ("Brown & Gay"); Esther Flores of Tax Tech, Inc.; Ginny Woodring and Steve Woodring of Regional Water Corporation ("RWC"); Bob Hudson of Texas Investment & Development Co.; Kendall Purgatorio of Mike Stone & Associates ("MSA"); District residents Jacquelyn Minimah, Eric Islas and Katherine Islas; Danny Wyman of Holy Covenant United Methodist Church ("Holy Covenant"); Dominic Cashiola of Classic Messaging LLC; Mary Julia of KB Homes; David Aitken IV of Blue Umbrella; and Lynne Humphries, Katie Carner and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

Director Thornhill called the meeting to order at 6:01 p.m.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Woodring discussed website inquiries, including consultant response to same, requiring no Board action, which are listed in the District operator's report attached to these minutes and from District residents, Robert Deskins and Sylvia Mick. Mr. Woodring said an inquiry from District resident, Robert Deskins, regarding taxes was referred to Ms. Flores for further handling.

Mr. Islas discussed additional charges in the amount of \$203 on his water bill for cleaning and callout charges following rental of the administration building. Ms. Woodring said RWC would research the charges and report back to the Board.

Ms. Minimah followed up with the Board regarding relief granted to her in the form of a 3 month payment plan at the October meeting. Ms. Minimah reported there is no change in activity, but that her meter readings are now back to normal, that no one at RWC called her regarding the Board's October Board meeting decision and that she has had two plumbers out to investigate the high usage. Ms. Woodring said RWC would investigate the additional information and report back to the Board.

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

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

MINUTES

The Board considered approving the minutes of the special meeting on October 30, 2013 and the minutes of the October 14, 2013 regular meeting. Following review and discussion, Director Smith moved to approve the minutes of the special meeting on October 30, 2013, as submitted. Director DuBois seconded the motion, which passed by a vote of 4 to 0, with Director Thornhill abstaining from voting. Director Kerr then moved to approve the regular meeting minutes of October 14, 2013. Director DuBois seconded the motion, which passed unanimously.

Ms. Julia entered the meeting.

REPORT ON DEVELOPMENT

Mr. Hudson and Ms. Julia reported regarding the status of lot development, landscaping upgrades in Vineyard Meadows, sales in Vineyard Meadows and Lakes of Mason Park and estimated values in Vineyard Meadows and Lakes of Mason Park. The Board discussed and concurred to request Mr. Heisch review and confirm as-builts for above ground improvements and detention ponds for each section completed. Ms. Julia confirmed that 45 foot lots are planned for Vineyard Meadows, Sections 8 and 9.

Mr. Cashiola entered the meeting.

GARBAGE COLLECTION AND RECYCLING

There was no additional discussion for this agenda item.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

Ms. Purgatorio reported a pipe failure at Mirror Lake and requested approval to inspect and provide an estimate for repair. Ms. Purgatorio said the inspection fee of \$1,800 includes digging up the pipe into the outfall at Mirror Lake. Mr. Heisch noted that the corrugated pipe is corroded at the bands and creating sinkholes. After discussion, upon a motion by Director Kerr and a second by Director DuBois, the Board voted unanimously to authorize MSA to inspect a pipe failure at Mirror Lake for a cost not to exceed \$1,800.

Ms. Purgatorio next reported that additional ducks will be removed from the Bundy Lark Park by the end of November 2013.

Ms. Purgatorio reported that MSA met with Holy Covenant regarding use of District land for soccer practice and play and has determined that there are no significant maintenance issues associated with the proposed use. Following review and discussion, upon a motion by Director Kerr and a second by Director Smith, the Board voted unanimously to authorize ABHR to prepare an agreement for use with Holy Covenant, including a release of liability.

FINANCIAL AND BOOKKEEPING MATTERS, JOINT FACILITIES BUDGET

Ms. Jarmon reviewed the bookkeeper's report and investment report and presented the bills for payment. She also reviewed the special projects budget, including proposals approved at the October special meeting, a joint facilities capital improvement project ("CIP") worksheet and a joint facilities budget. She also discussed certificates of deposit expiring and renewed and surplus operating funds.

The Board also discussed sales tax reporting and collection and Ms. Miller confirmed that the District's business inventory list was updated with the City of Houston for collection of sales tax pursuant to the District's Strategic Partnership Agreement with the City.

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. Director Smith seconded the motion, which carried unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Flores reviewed the monthly tax assessor/collector's report. Ms. Flores reported that the 2013 taxes collected through October 31, 2013 are 0.03% collected. She also discussed historical collections, the status of certification of values for 2013, refunds due to overpayments, delivery of a second set of delinquent notices, and the delinquent

tax report. After review and discussion, Director Smith moved to approve the tax assessor/collector's report and payment of the bills presented for payment from the tax account and authorize the District tax assessor collector to place notice in the water bills and on the District website that tax bills have been mailed. Director Thornhill seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

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 updated the Board on the operation of the wastewater treatment plant lift station and said the warranty expired in October 2013. Following review and discussion, the Board concurred that no further updates regarding the lift station are necessary unless there is malfunction.

Mr. Woodring reported pumpage numbers for October 2013 and current water and wastewater capacity. He also reported on build out projections for the District and said a request for voluntary water conservation efforts continue to be displayed on the water bill.

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

Mr. Woodring next discussed an appeal from District resident, Sylvia Mick requesting the Board waive an \$8.00 dollar delinquent charge. Following review and discussion of the information submitted by the District operator, Director Smith moved to waive the \$8.00 delinquent fee. Director Freeze seconded the motion, which failed by a vote of 2 to 3 with Directors Thornhill, Kerr and DuBois voting against the motion.

The Board discussed customer service complaints following termination of services to District resident, Ken Reed. Ms. Woodring reported services were terminated for failure to return a Service Agreement. Ms. Woodring presented recorded telephone conversations between RWC customer service and Mr. Reed.

Mr. Aitken and Mr. Cashiola made separate presentations regarding emergency messaging programs and options, including pricing and opt in marketing. Following discussion, the Board took no action and concurred to remove further discussion regarding emergency notification from the agenda.

Ms. Purgatorio left the meeting.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Woodring discussed builder back-charges owed by Royce Homes, Trophy Homes, Gateway Homes, KB Homes and Pulte Homes.

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 Thornhill 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, with the exception of Ms. Minimah who appeared and made arrangements for payment, and that further taps be withheld from Royce Homes, Gateway Homes, KB Homes, Pulte Homes and Trophy Homes until back-charges are paid. Director Kerr seconded the motion, which carried 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 and Ms. Julia updated the Board regarding possible relocation of fencing and an electrical box at lift station no. 5 that is actually located outside the property boundaries and conveyance of easements from homeowners affected by these facilities. Ms. Julia said the homeowners affected have signed the easements, but KB is working with a lienholder on one lot to obtain consent. The Board also discussed a request from one of the affected homeowners to leave fencing columns. Following discussion, the Board concurred to agree to leave the columns, as requested, only if the columns are stable, and subject to homeowner signature upon a release. Upon a motion by Director Thornhill and a second by Director DuBois, the Board voted unanimously to accept the easements upon receipt, subject to attorney review.

The Board also discussed construction of water, sewer and drainage to serve Lakes of Mason Park, Section 4, and Mr. Heisch recommended the Board approve payment of Pay Estimate No. 1 in the amount of \$98,740.98, to be pre-funded by the developer.

Following review and discussion, Director Thornhill moved to (1) approve the engineer report; and (2) approve payment of Pay Estimate No. 1 in the amount of

\$98,740.98 for construction of water, sewer and drainage to serve Lakes of Mason Park, Section 4. The motion was seconded y Director Smith, which passed unanimously.

Mr. Heisch reported bond application no. 14 was declared administratively complete by the Texas Commission on Environmental Quality on September 11, 2013.

Mr. Aitken discussed options for improving telemetry between the remote well and the well at Mason Lakes. Following review and discussion, the Board concurred that Mr. Aitken could make a presentation regarding same at the January special meeting.

Ms. Julia left the meeting.

DISTRICT INFORMATION KIT AND DISTRICT WEBSITE

Ms. Humphries reviewed with the Board the most current draft of the District Information Kit. Following review and discussion, Director DuBois moved to approve the Information Kit and authorize posting same to the District website. Director Smith seconded the motion, which passed unanimously.

HOLIDAY IN THE PARK

The Board concurred to change the preparation date for Holiday in the Park from November 16, 2013 to November 23, 2013. The Board also discussed obtaining proposals for additional décor and decorator services and requested that an agenda item to consider engaging a decorator service be added to the February 2014 parks meeting agenda. Ms. Woodring said flyers advertising the event will be delivered to residents with the December 3, 2013 water bill. Director Thornhill confirmed that Morton Ranch High School choir should arrive to perform at 4:00 p.m.

ACTION LIST OF ACTIONS

The Board reviewed and revised the Action List and discussed and amended the status of the items listed.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

Mr. Heisch updated the Board on credits for water reuse to be submitted to the West Harris County Regional Water Authority.

There being no additional business to consider, Director DuBois moved to adjourn the meeting at 8:29 p.m. Director Kerr seconded the motion, which passed unanimously.

Mary DuBois

Secretary, Board of Directors

(SEAL)



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