

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

January 30, 2014

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 71 (the "District") met in special session, open to the public, on the 30th day of January, 2014, 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 Stephen Woodring and Ginny Woodring of Regional Water Corporation ("RWC"); Rodney Heisch of Brown & Gay Engineers, Inc. ("Brown & Gay"); Sherrie Knoepful, Phil Martin and Kendall Purgatorio of Mike Stone Associates, Inc. ("MSA"); Anthea Moran and Christine Crotwell of First Southwest Company; and Katie Carner and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

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

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

The Board reviewed a Park and Landscape Management report, a copy of which is attached to these minutes.

Ms. Knoepful updated the Board on duck removal at Bundy Lake Park. She also reported that MSA is working with KGA/DeForest Design, LLC on plans and specifications for improvements to the Bundy Lake plaza. She said MSA may need survey work around the plaza to assess elevations and appropriately address drainage.

Mr. Martin discussed ongoing lighting program issues at the Bundy Lake monument and MSA efforts to resolve same, including discussions with the manufacturer and applicable warranty issues.

Ms. Knoepful said Storm Water Solutions investigated erosion issues at Mirror Lake, determined that sand was not packed correctly and made the repair.

She also reported that trash piles at Bellow Glen and bricks/construction debris left in Bundy Lake Park were removed.

Ms. Knoepful said MSA is working on revisions to the capital improvement plan, which may include revisions to ongoing maintenance for 2014.

Director Freeze requested backfilling around the slabs to match sidewalk elevations in Directors Park.

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

There was no additional discussion under this agenda item.

ADMINISTRATION BUILDING, GAZEBO AND RESTROOM AT BUNDY LAKE, INCLUDING RENTAL, REPAIRS AND IMPROVEMENTS AND AMENDMENT TO ADMINISTRATION BUILDING AND GAZEBO RENTAL POLICIES AND PROCEDURES

Mr. Woodring discussed a request from Elections Specialists to use the administration building as a Harris County polling location for the March 2014 primary elections. Following review and discussion, upon a motion by Director Thornhill and a second by Director Smith, the Board voted unanimously to approve the request from Elections Specialists to use the administration building as a Harris County polling location for the March 2014 primary elections.

OPERATION OF DISTRICT FACILITIES

Mr. Woodring reported an electrical problem with booster pump no. 4 at water plant no. 2 and said RWC replaced the motor, but determined later the underground wiring was faulty. He said RWC recommends rerunning the conduit for \$3,900. Following review and discussion, Director Kerr moved to authorize repair of the conduit at water plant no. 2, booster pump no. 4 for an amount not to exceed \$3,900. Director Thornhill seconded the motion, which passed unanimously.

The Board next reviewed a billing flyer notifying District residents of enrollment for emergency email alerts. Ms. Woodring said the flyer may not be complete in time for insertion in this billing cycle, so RWC placed the enrollment information in the billing message box for the current billing cycle. Directors Smith and DuBois requested revisions to the flyer language.

ENGINEERING MATTERS

Mr. Heisch presented contracts from Camino Services, LLC ("Camino") for repair of pavement on Mason Road and requested signatures, subject to receipt of a payment bond for an additional cost of \$900. He also presented a proposal from Tolunay-Wong Engineers, Inc. for materials testing in the amount of \$2,642. Mr. Heisch said Camino will begin notifying residents along affected areas of Mason Road of closures that will occur the following week. Following review and discussion, Director Thornhill moved to approve an additional \$900 for a payment bond and a proposal from Tolunay-Wong Engineers, Inc. for materials testing in the amount of \$2,642. Director Smith seconded the motion, which passed unanimously.

Director Thornhill requested that Mr. Heisch prioritize projects in the capital improvement plan.

UPDATE ON POTENTIAL REFUNDING

Ms. Moran discussed current bond market conditions, reviewed a sources and use analysis for proposed partial refunding of the District's Series 2005, 2005A, 2006 and 2006A bonds and potential savings to the District and a proposed sale and funding schedule. Following review and discussion, Director Kerr moved to authorize consultants to move forward with the refunding analysis and place refunding bond items on the February regular agenda. Director DuBois seconded the motion, which passed unanimously.

ACTION LIST

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

AGENDA FOR FEBRUARY REGULAR MEETING

The Board confirmed its regular meeting on February 10, 2014 and special meeting on February 26, 2014 and discussed agenda items.

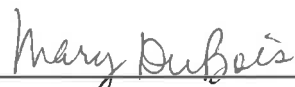
DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

Ms. Carner discussed costs associated with filing a notice of claim in a bankruptcy proceeding filed by Royce Homes. Ms. Woodring reported \$1,589.32 in outstanding backcharges and \$519.69 in outstanding water payments. Ms. Carner said the District's delinquent tax attorney has advised that there are no back taxes owed by Royce Homes. Ms. Carner also discussed fees for preparation and filing of a claim.

Following discussion, Director Smith moved to proceed with filing a notice of claim to recover funds owed the District by Royce Homes. The motion, which was seconded by Director Thornhill, passed unanimously.

At the request of David Aitken of Blue Umbrella, Ms. Carner read an email to the Board regarding services offered by Blue Umbrella.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 6:45 p.m. Director DuBois seconded the motion, which passed unanimously.


Secretary, Board of Directors

(SEAL)

