

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

August 11, 2014

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 August, 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 Christina Cole of Myrtle Cruz, Inc.; Rodney Heisch of Brown & Gay Engineers, Inc. ("Brown & Gay"); Anna Wild of Tax Tech, Inc.; Steve Woodring and Ginny Woodring of Regional Water Corporation ("RWC"); Kendall Purgatorio of Mike Stone Associates, Inc. ("MSA"); 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. Woodring discussed website inquiries, including consultant response to same, requiring no Board actions, which are listed in the District operator's report attached to these minutes, including resident inquiry regarding use of the splash pad at Directors Park. Discussed ensued regarding access to facilities and the Board concurred to request that repair of the gate at Directors Park be added to the list of items for proposed maintenance and that Mr. Woodring respond to the resident making inquiry regarding use of the splash pad, as discussed.

Ms. Woodring also discussed a pre-meeting account inquiry from resident, Alexa Brown. Director Thornhill requested an update following RWC review of Ms. Brown's account.

Mr. Woodring said the District received a request from the City of Stafford requesting a reference for Best Trash. Director Kerr said she would follow up with the City of Stafford.

MINUTES

The Board considered approving the minutes of the regular meeting on July 14, 2014 and the minutes of the July 28, 2014 special meeting. Following review and discussion, Director Kerr moved to approve the minutes of the regular meeting on July 14, 2014 and the minutes of the July 28, 2014 special meeting, both as submitted. Director DuBois seconded the motion, which passed unanimously.

GARBAGE COLLECTION AND RECYCLING

There was no discussion for this agenda item.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

Ms. Purgatorio updated the Board on ongoing park maintenance and repair, including an update on replacement and repair of playground equipment at Directors Park, repairs at Mt. Elbus Way depressions near the storm sewer manhole and repair of the backflow assembly at the Directors park. Director Thornhill noted that lights in the fountain and the pilot channel at Morton Ranch were not working.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Cole reviewed a summary of the bookkeeper's report and investment report and presented the bills for payment. She also reviewed and discussed the special projects and joint facilities budgets. She also discussed certificates of deposit expiring and renewed and operating funds.

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 Kerr seconded the motion, which carried unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Wild reviewed the monthly tax assessor/collector's report. Ms. Wild reported that 98.83% of the 2013 taxes were collected as of July 31, 2014. Ms. Wild also discussed historical collections, refunds due to overpayments, and provided a delinquent tax report.

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.

RESOLUTION REQUESTING APPRAISAL OF PROPERTY AND CERTIFICATE OF ESTIMATED APPRAISED VALUE

The Board considered requesting an appraisal and estimate of value from Harris County Appraisal District. After review and discussion, Director Thornhill moved to adopt a Resolution Requesting an Appraisal and Estimate of Value as of September 1, 2014. Director Kerr seconded the motion, which carried unanimously.

2014 TAX RATE

The Board took no action on this agenda item.

REPORT ON DEVELOPMENT

No report was given.

PROPOSALS FOR REPAIRS AND MAINTENANCE TO ADMINISTRATION BUILDING

Ms. Purgatorio reported MSA is preparing a proposal for repairs to the District administration building, and the Board concurred to place the agenda item on the August special meeting agenda.

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 repair a tap line leak, including possible driveway removal, for an estimated \$7,600; repair the level controller at lift station no. 3 for an estimated \$3,000; repair influent lift station lift pumps nos. 3 and 4 for an amount not to exceed \$16,000; and repair the thickener drive unit at the wastewater treatment plant for an estimated \$5,000. Following review and discussion, Director Freeze moved to approve the estimated costs for each of the repairs listed above. Director Smith seconded the motion, which passed unanimously.

Mr. Woodring next reported the status of fire hydrant painting and discussion ensued regarding remaining unpainted hydrants.

Mr. Woodring reported pumpage numbers for July 2014 and current water and wastewater capacity. He also reported on build out projections for the District.

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

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Woodring discussed builder back-charges owed by Royce Homes, Trophy Homes, Vestalia Homes and Greeneco Builders. 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 Smith 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, and that further taps be withheld from Royce Homes, Trophy Homes, Vestalia Homes and Greeneco Builders 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. A copy of the engineer's report is attached.

Mr. Heisch updated the Board on sanitary sewer rehabilitation at Lakes of Bridgewater Drive and recommended the Board approve Pay Estimate No. 1 in the amount of \$39,973.50, payable to Layne Inliner, LLC.

Following review and discussion, and based upon the engineer's recommendations, Director Thornhill moved to approve the engineering report and Pay Estimate No. 1 in the amount of \$39,973.50, payable to Layne Inliner, LLC for sanitary sewer rehabilitation at Lakes of Bridgewater Drive. Director Smith seconded the motion, which carried unanimously.

Mr. Heisch and Ms. Carner next presented a capacity request from Lumidia, LLC d/b/a Texas Kids Daycare. Following review and discussion, Director Freeze moved to approve approve a utility commitment to Lumidia, LLC, subject to final review and receipt of necessary attachments. Director Smith seconded the motion, which passed unanimously.

DISTRICT WEBSITE

There was no additional discussion on this agenda item.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

There was no additional discussion on this agenda item.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

The Board discussed WHCRWA's vacant Precinct 4 director's seat and nominations to fill the vacant seat. The Board took no action on this agenda item.

ACTION LIST OF ACTIONS

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

INSURANCE RENEWAL

The Board discussed the October 1, 2014 expiration of the District's current insurance policy and concurred to request ABHR solicit renewal proposals from 3 carriers.

ATTORNEY'S REPORT

The Board discussed agenda items for the August 25, 2014 special meeting.

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 6:45 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 Officer Arhelger. Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 7:11 p.m., the Board reconvened in Open Session. No action was taken as a result of discussion in executive session.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:12 p.m. Director Smith seconded the motion, which passed unanimously.

(SEAL)




Secretary, Board of Directors

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