

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

November 10, 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 10th day of November, 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 Tracey Scott of Myrtle Cruz, Inc.; Rodney Heisch of Brown & Gay Engineers, Inc. ("Brown & Gay"); Esther Flores of Tax Tech, Inc.; Steve Woodring, Scott Barr and Ginny Woodring of Regional Water Corporation ("RWC"); Bob Hudson of Texas Investment & Development Co.; Kendall Purgatorio of Mike Stone Associates, Inc. ("MSA"); Anthea Moran of First Southwest Company; Sgt. Donald Wine and Deputy Carhee of Harris County Sheriff's Department; and Christina Miller 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 6:02 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 Sgt. Wine and Deputy Carhee. Ms. C. Miller and Ms. J. Miller also were present.

Sgt. Wine left executive session at 6:10 p.m.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:31 p.m., the Board reconvened in Open Session. No action was taken as a result of discussion in executive session.

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.

MINUTES

The Board considered approving the minutes of the regular meeting on October 13, 2014 and the minutes of the October 27, 2014 special meeting. Following review and discussion, Director DuBois moved to approve the minutes of the regular meeting on October 13, 2014 and minutes of the October 27, 2014 special meeting, both as submitted. Director Kerr seconded the motion, which passed unanimously.

DESIGNATE UNDERWRITER

Ms. Moran reviewed a summary of bonds proposed for refunding, discussed current interest rates and potential savings to the District.

The Board considered designating an underwriter for the Series 2015 Refunding Bonds. The Board reviewed information about possible underwriters. Following review and discussion, Director Smith moved to designate SAMCO Capital Markets, as underwriter of the Series 2015 Refunding Bonds. Director DuBois seconded the motion, which passed unanimously.

G-17 DISCLOSURE

Ms. Moran then presented the G-17 underwriters disclosure letter and requested that the Board authorize execution of the letter. Following discussion, Director Kerr moved to acknowledge receipt and authorize execution of the G-17 letter. Director DuBois seconded the motion, which carried unanimously.

PRELIMINARY OFFICIAL STATEMENT FOR THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2015

The Board next considered approving the Preliminary Official Statement for the District's Unlimited Tax Refunding Bonds, Series 2015. Following review and discussion, Director DuBois moved that the Board approve the Preliminary Official Statement for the Refunding Bonds, subject to final review. Director Thornhill seconded the motion, which was approved by unanimous vote.

PAYING AGENT/REGISTRAR AND ESCROW AGENT

The Board considered appointing a paying agent/registrar and escrow agent for the Series 2015 Refunding Bonds. Following discussion, Director Smith moved to

appoint Bank of New York as paying agent/registrar and escrow agent. Director Kerr seconded the motion, which passed unanimously.

ADOPT DELEGATION RESOLUTION

Ms. C. Miller presented a Resolution Authorizing the Issuance of the District's Series 2014 Refunding Bonds. After review and discussion, Director Smith moved to (1) adopt the Resolution Authorizing the Issuance of the District's Series 2014 Refunding Bonds for a maximum par amount not to exceed \$8,500,000, and (2) authorize Director Thornhill to act as the District's authorized representative to approve the sale of the refunding bonds subject to a minimum net present value savings of 4% and to select the specific maturities or series of the District's outstanding bonds to be refunded and to perform any actions needed to effect the sale of the Refunding Bonds, including the execution of the Bond Purchase Agreement and any other necessary documents. Director Thornhill seconded the motion, which passed unanimously.

AUTHORIZE CREDIT RATING AND INSURANCE APPLICATION

Ms. Moran next discussed making application for a credit rating from Standard & Poors. Following discussion, Director Kerr moved to authorize First Southwest to make application for a credit rating from Standard & Poors. Director Thornhill seconded the motion, which passed unanimously.

GARBAGE COLLECTION AND RECYCLING

There was no discussion on this agenda item.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

Ms. Purgatorio updated the Board on ongoing park maintenance and repair, and discussed completion of cleaning of the pilot channels at Morton Ranch, including the status of Harris County Flood Control District cleaning of an adjacent channel, ongoing issues with light programming at the Bundy Lake Park monument, power washing gazebos and walks in preparation for Holiday in the Park, and duck removal at Bundy Lake Park.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Scott 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 Thornhill moved to (1) approve the bookkeeper's report and investment report; and (2) approve the bills presented for payment. Director DuBois 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 0.02% of the 2014 taxes were collected as of October 31, 2014. Ms. Flores also discussed historical collections, refunds due to overpayments, and provided a delinquent tax report.

After review and discussion, Director Smith moved to (1) approve the tax assessor/collector's report and payment of the bills presented for payment from the tax account; and (2) authorize the District operator to include a notice to residents in utility bills and to post on the District website that tax statements have been mailed. Director DuBois seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

REPORT ON DEVELOPMENT

Mr. Hudson reported regarding lot development and sales in Vineyard Meadows and Lakes of Mason Park.

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 first reviewed a fire hydrant survey and discussed repair of a fire hydrant on Elrod Road at Westland Creek and painting of one fire hydrant. Following review and discussion, Director Smith moved to authorize repair of one fire hydrant and painting of one fire hydrant for an amount not to exceed \$8,350. Director Thornhill seconded the motion, which passed unanimously.

Mr. Woodring next discussed a customer appeal from Ricardo Franco requesting a payment plan on the past due balance of his bill. Following review of information provided by the District operator, Director Thornhill moved to approve the payment plan, as requested. The motion was seconded by Director Kerr and passed unanimously.

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

Mr. Woodring updated the Board on finalizing agreements with Macaulay Controls Company for a six month trial offer for an electric pump management system designed to eliminate blockages at lift station sites.

Following review and discussion, Director Smith moved to approve the operator's report. The motion, which was seconded by Director DuBois, 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 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, and that further taps be withheld from Royce Homes, Trophy Homes, Vestalia Homes and Greeneco Builders until back-charges are paid. Director DuBois 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 reported the status of construction of water, sewer and drainage to serve Vineyard Meadows, Section 8 and recommended the Board approve Pay Estimate No. 4 and Final in the amount of \$21,633.56, payable to Jaho, Inc.

Mr. Heisch also discussed a sanitary sewer line necessary to serve Texas Kids Daycare and Ms. J. Miller presented a conveyance document for same.

Mr. Heisch discussed the status of proposed revision to the Joint Cost Sharing Agreement, a request from Harris County Municipal Utility District No. 287 for a water line easement from Elrod Road to Mason Road and site layout, including necessary sanitary sewer control easements, for water plant no. 3. Mr. Heisch also discussed annual inspection of the hydro pneumatic and ground storage tanks at water plant nos. 1 and 2 and requested authorization to coordinate same with RWC.

Mr. Heisch also discussed preparation of an application to the TCEQ for release of escrowed funds for improvements at water plant nos. 1 and 2 and requested the Board approve a Resolution to the TCEQ for Release of Funds from Escrow. Following review and discussion, Director Kerr moved to approve Resolution to the TCEQ for Release of Funds from Escrow. Director DuBois seconded the motion, which passed unanimously.

Following review and discussion, and based upon the engineer's recommendations, Director Thornhill moved to (1) approve the engineering report; (2) pay the estimate presented and discussed above; (3) authorize the District engineer to work with RWC to complete the annual inspection of the hydro pneumatic and ground storage tanks at water plant nos. 1 and 2; and (4) authorize consultants to move forward and prepare a water line easement, as requested by No. 287, subject to No. 287 paying for preparation of the easement. Director DuBois seconded the motion, which carried unanimously.

DISTRICT WEBSITE

The Board discussed proposed updates to the District website.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

The Board discussed the Association of Water Board Directors event on October 29, 2014.

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 17, 2014 special meeting.

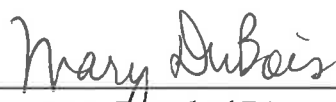
Ms. C. Miller discussed a notice received from the West Harris County Regional Water Authority regarding notice of fee increase. Discussion ensued regarding water conservation awareness events and materials.

HOLIDAY IN THE PARK

The Board discussed plans for Holiday in the Park 2014.

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




Secretary, Board of Directors

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