

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

January 12, 2015

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 12th 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 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"); Kendall Purgatorio of Mike Stone Associates, Inc. ("MSA"); Deputy Steve Arhelger of Harris County Sheriff's Department; and Lynne Humphries, 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 requiring no Board actions, including consultant response to same, which are listed in the District operator's report attached to these minutes.

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 6:01 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 Deputy Arhelger. Ms. Humphries, Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:23 p.m., the Board reconvened in Open Session. No action was taken as a result of discussion in executive session.

MINUTES

The Board considered approving the minutes of the December 8, 2014 regular meeting and the minutes of the December 15, 2015 special meeting. Following review and discussion, Director Thornhill moved to approve the December 8, 2014 regular meeting minutes and the December 15, 2014 special meeting minutes, both as amended. Director Smith seconded the motion, which passed unanimously.

GARBAGE COLLECTION AND RECYCLING

Director Kerr reviewed a recycling tonnage report from Best Trash. Discussion ensued regarding options to purchase or upgrade to larger recycling containers. Director Kerr said she would contact Best Trash to discuss options.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Flores reviewed the monthly tax assessor/collector's report and discussed tax payment policies. Ms. Flores reported that 7.96% of the 2014 taxes were collected as of December 31, 2014. Ms. Flores also discussed historical collections, refunds due to overpayments, and provided a delinquent tax report.

After review and discussion, Director Kerr 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.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

Ms. Purgatorio discussed the status of repairs at the administration building, including replacement of front door kick plates. Ms. Purgatorio said ceiling tiles will be replaced tomorrow, that no lights will be moved and that lights will be replaced only if broken. Mr. Woodring noted that a new heating and fan motor is needed on the kitchen air conditioning unit.

Discussion ensued regarding costs for duck removal, resignation of current service provider and options for service/removal.

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 Smith 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.

Ms. Carner stated that, in accordance with the Public Funds Investment Act and the District's Investment Policy, the bookkeeper and Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statements will be filed with the Texas Ethics Commission and in the District Records and updated whenever necessary. After review and discussion, Director Smith moved that the Board accept the disclosure statements pursuant to the District's Investment Policy and the Public Funds Investment Act. Director DuBois seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

No report was given.

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 the following repairs needed and requested authorization for same:

1. repair of return sludge pump electrical pump wiring at the wastewater treatment plant in the amount of \$3,400; and
2. repair of booster pump no. 2 electric motor and check valve at water supply plant no. 2 in the amount of \$11,000.

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

Following review and discussion, Director Smith moved to (1) approve the operator's report; and (2) approve the repairs items listed above. 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 next reported the status of construction to serve Lakes at Mason Park, Section 4 and recommended the Board approve Pay Estimate No. 4 and Final in the amount of \$10,970, payable to Clearwater Utilities, Inc.

Mr. Heisch discussed an area along Mayde Creek for possible future parking area. Following discussion, the Board concurred to authorize B&G to do a title search on the relevant parcels to determine ownership.

Ms. Carner next reviewed two Water Line Easements from the District to West Harris County Regional Water Authority ("WHCRWA") related to the eventual provision of surface water to the District, and a Right of Entry associated with the proposed automated meter reading program offered by WHCRWA.

Following review and discussion, and based upon the engineer's recommendations, Director DuBois moved to (1) approve the engineering report; (2) pay the estimate presented and discussed above; and (3) approve two Water Line Easements from the District to WHCRWA, and Right of Entry, subject to final consultant review. Director Thornhill 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

There was no discussion for this agenda item.

SPRING COMMUNITY EVENT

The Board requested this item be moved to the February 2, 2015 special meeting agenda.

ATTORNEY'S REPORT

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

Ms. Carner discussed a request from ESE Partners requesting a Resolution in Support of a Municipal Setting Designation.

The Board discussed agenda items for the February 2, 2015 special meeting.

ANNUAL REPORT ON POST-ISSUANCE COMPLIANCE

Ms. Carner reported that districts that have issued or will issue tax-exempt bonds must comply with certain post-issuance compliance requirements (the "Requirements") contained in sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, & the Treasury Regulations Promulgated thereunder. She reported on the District's compliance activities during the prior calendar year related to bond financing and said no action is required at this time.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:37 p.m. Director Smith seconded the motion, which passed unanimously.

(SEAL)



Mary Dubois
Secretary Board of Directors

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