

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

August 10, 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 10th day of August, 2015, 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 except Director Freeze, thus constituting a quorum.

Also present were Jennifer Elms, District resident; Tracy Scott of Myrtle Cruz, Inc.; Rodney Heisch of Brown & Gay Engineers, Inc. ("Brown & Gay"); Ana Duarte of Tax Tech, Inc.; Steve Woodring, Ginny Woodring, and Scott Barr of Regional Water Corporation ("RWC"); Kendall Purgatorio of Mike Stone Associates, Inc. ("MSA"); Karen Sears of Acclaim Energy Advisors; Officer Steve Arhelger of Harris County Sheriff's Department; 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

Ms. Carner reported that Director Freeze took a job in Missouri and submitted his resignation for Board consideration at the August special meeting.

Mr. Woodring updated the Board regarding RWC follow up with a customer inquiring regarding future rental restrictions. Mr. Woodring said the customer has been informed that she is not restricted from renting District facilities.

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 6:03 p.m., Director Thornhill announced that the Board would convene in executive session to deliberate the deployment or specific occasions for implementation of security personnel or devices in the District. The Board met with Officer Arhelger. Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:27 p.m., Director Thornhill announced the Board would reconvene in Open Session. Following discussion in executive session, the Board concurred to appoint Director Kerr as security liaison for the District.

ACCLAIM ENERGY ADVISORS REPORT

Ms. Sears reported regarding current energy market pricing and District electricity loads and discussed the terms and conditions of the District's current and pending electricity contracts. Following review and discussion, the Board concurred to defer action and place an item on the February 2016 agenda to reconsider market pricing and possible contract extension.

MINUTES

The Board considered approving the minutes of the July 13, 2015 regular meeting. Following review and discussion, Director Kerr moved to approve the minutes of the July 13, 2015 regular meeting, as revised. Director DuBois seconded the motion, which passed unanimously.

GARBAGE COLLETION AND RECYCLING AND AMEND RATE ORDER

Director Kerr and Director Thornhill discussed with the Board garbage collection service complaints received by Director Kerr. Director Kerr said she would discuss the complaints with Matthew May, if the complaints continued.

TAX ASSESSMENT AND COLLECTIONS MATTERS AND AMEND CONTRACT

Ms. Duarte reviewed the monthly tax assessor/collector's report. Ms. Flores reported that 98.34% of the 2014 taxes were collected as of July 31, 2015.

Ms. Carner said the District's financial advisor has requested an updated estimate of value and then presented a Resolution Requesting Appraisal of Property and Estimate of Value.

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) approve a Resolution Requesting Appraisal of Property and Estimate of Value. Director DuBois 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 updated the Board on ongoing repairs and maintenance to District parks and lakes, including the status of duck relocation at Bundy Lake Park, and said there may be an additional charge for additional ducks relocated.

Ms. Purgatorio updated the Board regarding efforts to contact the Bridgewater Community Association ("BCA) to request that the BCA split the cost to trim back 20 oak tree canopies at the back of Bundy Lake Park and remove 9 tree stakes.

Ms. Purgatorio discussed a call received reporting the gate at Director's Park would not open. She said the gate is now repaired, operational and open from 5:30 a.m. to 11 p.m.

The Board discussed heat stress on District/park landscaping. Director Kerr requested MSA inspect the star planting area for heat stress.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Scott reviewed a summary of the bookkeeper's report and investment report and presented the bills for payment. 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.

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 pumpage numbers for July 2015 and current water and wastewater capacity. He also reported on build out projections.

Mr. Woodring next presented a request from customer, Ann Lury, requesting the Board waive the sanitary sewer base fee on her final bill. Discussion ensued regarding proration of the sanitary sewer base charge and amending the District Rate Order to allow same. Following review and discussion, Director Smith moved to waive the sanitary sewer base fee for Ms. Lury's final month's bill. Director DuBois seconded the motion, which passed by a vote of 3 to 1, with Director Kerr opposing the motion.

The Board next discussed the District's current utility payment options and procedures for payment posting. Following discussion, the Board concurred to discuss payment and posting procedures at the District's special meeting on August 31, 2015.

Mr. Woodring updated the Board regarding emergency repairs at Water Plant No. 2 and voluntary conservation measures from Stage 1 of the District's Drought Contingency Plan. The Board also discussed and requested a recommendation regarding possible tiered water rates for open space irrigation users at the August 31, 2015 meeting. The Board also concurred to authorize an email blast to District customers encouraging voluntary conservation measures.

Mr. Woodring next discussed the status of reimbursement for damage to the fence at Director's Park and the Board discussed options for recovering costs incurred. Following discussion, the Board concurred to authorize ABHR to send a demand letter requesting reimbursement.

Mr. Woodring updated the Board regarding the number of returned consumer awareness surveys regarding disposal of rags and wipes and said surveys will be accepted through August 31, 2015.

Mr. Woodring then updated the Board regarding previously reported bio-monitoring at the wastewater treatment plant and ongoing testing to address toxicity. He also discussed total costs incurred to date to keep the wastewater treatment plant in compliance, including clean out of the transfer line each month.

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

Discussion ensued regarding payment options available to District customers. Mr. Woodring then discussed builder back-charges owed by Royce Homes, Trophy Homes, Colina Homes and Vestalia 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 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, Colina Homes and Vestalia Homes until back-charges are paid. Director Kerr seconded the motion, which carried unanimously.

REPORT ON DEVELOPMENT

No report was given.

ENGINEERING MATTERS

Mr. Heisch presented the engineer's report and updated the Board regarding engineering matters and the status of current construction projects, including Water Plant Nos. 1 and 2 improvements. A copy of the engineer's report is attached.

Mr. Heisch discussed a request for a commitment of water and sanitary sewer capacity to serve the iLuckyDog campus under development. Following review and discussion, Director Smith moved to approve the commitment. The motion, which was seconded by Director Thornhill, passed unanimously.

Mr. Heisch first discussed Phase 1 of the sanitary sewer extension to serve the Miles tract, and said the developer has requested that B&G begin design of Phase 2. Following review and discussion, Director Kerr moved to approve design of Phase 2 of the sanitary sewer extension necessary to serve the Miles tract, subject to deposit of funds sufficient to cover any design costs. Director DuBois seconded the motion, which passed unanimously.

Following review and discussion, and based upon the engineer's recommendations, Director DuBois moved to approve the engineering report. Director Smith seconded the motion, which carried unanimously.

DISTRICT WEBSITE

Director Smith reported the status of updates to the District website and provided a preview link for Directors to review and comment regarding the updates before the updated site is live.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

Mr. Woodring discussed a request received from Election Specialists requesting use of the Administration Building for a November 3, 2015 election. Following review and discussion, Director Smith moved to approve use of the Administration Building by Election Specialists on November 3, 2015. Director Kerr seconded the motion, which passed unanimously.

INSURANCE RENEWAL

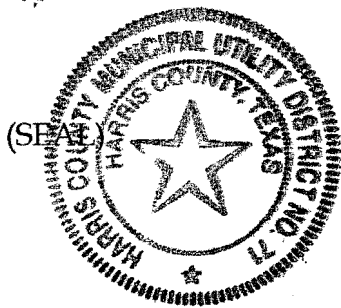
The Board discussed the October 1, 2015, expiration of the District's current insurance policy and concurred to request ABHR solicit renewal proposals from additional carriers.

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 August 31, 2015, special meeting.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:45 p.m. Director DuBois seconded the motion, which passed unanimously.



Mary DuBois
Secretary, Board of Directors

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