

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

April 11, 2016

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 11<sup>th</sup> day of April, 2016, 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
Phillip Smith, Jr.	Assistant Vice President
Jennifer Elms	Assistant Secretary

and all of the above were present except Director DuBois, thus constituting a quorum.

Also present were Tina Kelsey of Myrtle Cruz, Inc.; Alene Efaw of Brown & Gay Engineers, Inc. ("Brown & Gay"); Esther Flores of Tax Tech, Inc.; Steve Woodring, Ginny Woodring and Scott Barr of Regional Water Corporation ("RWC"); Avik Bonnerjee of B&A Municipal Tax Service, LLC; Lieutenant Simon VanDyk of Harris County Emergency Services District No. 48 ("ESD No. 48"); Nick Cooke of Mike Stone Associates, Inc. ("MSA"); Michael Williams, District Resident and Director candidate; Officer Gaspar of the 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

Mr. Woodring reported there were no website inquiries requiring Board action and updated the Board regarding response to a resident inquiry received today regarding meter accuracy.

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 Gaspar. Ms. Carner and Ms. Miller also were present.

## RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:12 p.m., the Board reconvened in Open Session. Deputy Gaspar left the meeting.

## PUBLIC COMMENT CONTINUED

Lt. VanDyk provided information regarding ESD No. 48, including its service area, stations, response times and programs.

Lt. VanDyk left the meeting.

## MINUTES

The Board considered approving the minutes of the March 14, 2016 regular meeting. Following review and discussion, Director Kerr moved to approve the March 14, 2016 regular meeting minutes, as amended. Director Elms seconded the motion, which passed by a vote of 3 to 1, with Director Smith abstaining from voting.

## GARBAGE COLLECTION AND RECYCLING

There was no discussion for this agenda item.

## TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Flores reviewed the monthly tax assessor/collector's report and 2015 taxes collected as of March 31, 2016. After review and discussion, Director Smith moved to (1) approve the tax assessor/collector's report; and (2) authorize payment of the bills presented for payment from the tax account. Director Kerr seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

Mr. Bonnerjee provided an updated sales tax permit audit and discussed accounts added and removed since the last quarterly report.

## FINANCIAL AND BOOKKEEPING MATTERS CONTINUED

Ms. Kelsey reviewed a summary of the bookkeeper's report and investment report and presented the bills for payment. After review and discussion, Director Kerr 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.

## REPORT ON DEVELOPMENT

There was no discussion on this agenda item.

## 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 March 2016 and current water and wastewater capacity. He also reported on build out projections.

Mr. Woodring next discussed rebuilding influent pump no. 2 at the wastewater treatment plant for an estimated \$14,000 and discussed lead times for ordering parts to make the repair. Following review and discussion, Director Elms moved to authorize the District operator to rebuild the pump, as discussed, for \$14,000 and to submit the repair to the District's insurance carrier. Director Kerr seconded the motion, which passed unanimously.

Mr. Woodring then reported repair of booster pump no. 2 at water plant no. 1 for an estimated \$5,000. Following review and discussion, Director Elms moved to authorize repair of the check valve, as discussed, and any associated piping for an amount not to exceed \$5,000. The motion was seconded by Director Smith and passed unanimously.

The Board next discussed again distributing educational materials and a second survey on disposable wipes during the summer and distributing educational material both in English and Spanish in the next utility billing cycle.

Mr. Woodring said RWC would bring to the District's April special meeting a proposed operating contract amendment.

Following review and discussion, Director Smith moved to approve the operator's report. The motion, which was seconded by Director Elms, 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 KB Homes, 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 KB Homes, Royce Homes, Trophy Homes, Colina Homes and Vestalia Homes until back-charges are paid. Director Thornhill seconded the motion, which carried unanimously.

#### ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN AND ANNUAL WATER LOSS AUDIT

The Board concurred to defer action on the Water Conservation Plan annual report until the April special Board meeting.

Mr. Woodring also reviewed an annual water loss audit to be filed with the Texas Water Development Board by May 1, 2016. Following review and discussion, Director Kerr moved to authorize the District operator to file the annual water loss audit with the Texas Water Development Board. Director Elms seconded the motion, which passed unanimously.

#### ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board next reviewed the District's Drought Contingency Plan. Following review and discussion, the Board concurred that no revisions were necessary.

#### ANNUAL REPORT ON IDENTITY THEFT PREVENTION PROGRAM

Mr. Woodring distributed and reviewed an annual report on the District's Identity Theft Prevention Program ("Program") reflecting the effectiveness of the Program in addressing Identity Theft risk. He noted that RWC is required to prepare an annual report as Program Administrator. Mr. Woodring stated that the annual report indicates no significant incidents of Identity Theft detection and he recommends no changes to the Program at this time.

#### ENGINEERING MATTERS

Ms. Efaw 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.

Ms. Efaw first discussed the status of design of the Mason Road Sanitary Sewer Extension, Phase 2 and requested authorization to advertise for bids for construction, subject to final plan approval from all reviewing agencies. Following review and discussion, Director Thornhill moved to authorize the District engineer to advertise for bids for construction of Mason Road Sanitary Sewer Extension, Phase 2. Director Smith seconded the motion, which passed unanimously. Director Thornhill requested Brown

and Gay check on the status of silt fencing removal for the Mason Road Sanitary Sewer Extension, Phase 1.

Ms. Efaw reported on the status of improvements at water plant nos. 1 and 2 and recommended the Board approve Pay Estimate No. 4 in the amount of \$43,267.50, payable to Long & Sons, Inc. and Change Order No. 1 in the amount of \$2,315. Discussion ensued regarding schedules for contract completion. Following review and discussion, Director Kerr moved to authorize the District engineer to prepare a letter to contractor requesting schedules for contract completion, subject to ABHR review. Director Elms seconded the motion, which passed unanimously.

Ms. Efaw next reviewed proposals for installation of a lift station mixer at the wastewater treatment plant and recommended the Board award the contract to the low bidder, Neil Technical Services Corp. in the amount of \$66,750. Following review and discussion and because it would result in the most economical completion of installation of the lift station mixer at the wastewater treatment plant, Director Smith moved to approve the proposal from NTS in the amount of \$66,750, subject to review of insurance and payment and performance bonds. Director Kerr seconded the motion, which passed unanimously.

Ms. Efaw next reported the status of repair of drainage facilities on Ember Canyon and recommended the Board approve a Storm Water Solutions, LP invoice in the amount of \$6,389. Following review and discussion, Director Smith moved to approve the invoice. Director Kerr seconded the motion, which passed unanimously.

Following review and discussion, and based upon the engineer's recommendations, Director Thornhill moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 4 in the amount of \$43,267.50, payable to Long & Sons, Inc. for improvements at water plant nos. 1 and 2 and Change Order No. 2 in the amount of \$2,315. Director Kerr seconded the motion, which passed unanimously.

#### REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE AND REPAIR AND DEVELOPMENT OF DISTRICT LAKES, PARKS AND RECREATIONAL FACILITIES

Mr. Cooke discussed park and landscape maintenance completed, including emergency items at Bundy Lake Park under \$500, pending and scheduled repairs at Director's Park, Bundy Lake, District detention ponds, District common areas and the administration building. Director Smith requested that MSA power wash the boards on the pedestrian bridge and try to get the boards to match as closely as possible.

Mr. Cooke discussed with the Board the upcoming Katy Economic Development Corporation Awards and Director Smith requested that MSA register him for the event.

#### DISTRICT WEBSITE

The Board requested posting of an ESD No. 48 Safety Fest on the website.

#### SPRING COMMUNITY EVENT

The Board discussed planning for a possible summer community event on or about July 30 from 10:30 a.m. to 1:00 p.m.

#### DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

There was no additional discussion for this agenda item.

#### ATTORNEY'S REPORT

The Board reviewed and revised the Action List and discussed and amended the status of the items listed and scheduled a June 29, 2016 special meeting.

#### 2016 DIRECTORS ELECTION

Ms. Carner reviewed the Notice and Writ of Election for the 2016 Directors Election. Following review and discussion, Director Smith moved to approve the Notice and Writ of Election for the 2016 Directors Election. Director Kerr seconded the motion, which passed unanimously.

Discussion ensued regarding election officials and early voting hours. The Board concurred to schedule a special meeting to canvas the 2016 Directors Election on May 16, 2016 at 6:00 p.m.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 8:21 p.m. Director Kerr seconded the motion, which passed unanimously.

*Mary Dubois*

Secretary, Board of Directors



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