

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

May 9, 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 9th day of May, 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, 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 and Scott Barr of Regional Water Corporation ("RWC"); Nick Cooke of Mike Stone Associates, Inc. ("MSA"); Officer Arhelger 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 6:04 p.m.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Woodring reported there were no website inquiries requiring Board action.

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 6:05 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. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:39 p.m., the Board reconvened in Open Session. Deputy Arhelger left the meeting.

MINUTES

The Board considered approving the minutes of the April 11, 2016 regular meeting. Following review and discussion, Director Smith moved to approve the April 11, 2016 regular meeting minutes, as amended. Director Elms seconded the motion, which passed by a vote of 4 to 1, with Director DuBois 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 April 30, 2016. After review and discussion, Director DuBois 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 Smith seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board discussed the upcoming Association of Water Board Directors ("AWBD") summer conference. After discussion, Director DuBois moved to authorize a maximum of 4 per diems, 3 hotel nights and up to \$50 per day for meals for all directors who attend the AWBD summer conference, noting that reimbursements must meet the requirements of the Travel Reimbursement Guidelines. The motion was seconded by Director Thornhill, and passed unanimously.

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 Elms 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.

REPORT ON DEVELOPMENT

Ms. Carner reported receipt of correspondence and bankruptcy proceeding documents reflecting Buffington Mason Park, Ltd. as the filing Debtor and said she would contact United Development Funding for additional information.

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

Mr. Woodring discussed failure of lift pump no. 1 at the wastewater treatment plant over the weekend and estimated a cost of \$14,000 to rebuild the pump and a lead time of 8 to 10 weeks to get parts. He said RWC has another pump to use in place of lift pump no. 1 in the interim. Following review and discussion, Director Smith moved to authorize RWC to rebuild lift pump no. 1, as discussed. The motion was seconded by Director Kerr and passed unanimously. Director Thornhill requested a synopsis of all operational losses/claims submitted to the District's insurance carrier.

Director Elms noted water meter box lids missing throughout the District. Mr. Woodring stated the replacement lids are on backorder following recent flood events.

Mr. Woodring next reported that RWC is monitoring vibration in the well at water plant no. 2 monthly and said Alsay, Inc. has been notified.

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

CRITICAL LOAD

Ms. Carner next reviewed the District's Critical Load List and explained that the District is required to file annually with Harris County and State agencies whether the District has made any facility or personnel changes. Ms. Carner said that the District engineer, operator and bookkeeper have reviewed the revised Critical Load List and verified that the information is accurate. She said ABHR will file the Critical Load List with Harris County and State agencies. Upon a motion by Director Elms and a second by Director Smith, the Board voted unanimously to authorize filing of the Critical Load List with Harris County and State agencies.

CONSUMER CONFIDENCE REPORT

Mr. Woodring said the Consumer Confidence Report ("CCR"), must be filed with the Texas Commission on Environmental Quality ("TCEQ") and mailed to District customers by July 1, 2016. After review and discussion, the Board concurred to defer approval until the next Board meeting.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Discussion ensued regarding options for electronic notification of residents who are scheduled for termination of service prior to termination of service.

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 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 KB Homes, Royce Homes, Trophy Homes, Colina Homes and Vestalia Homes until back-charges are paid. Director Smith seconded the motion, which carried unanimously.

ENGINEERING MATTERS

Ms. Efaw presented the engineer's report and updated the Board regarding engineering matters and the status of current construction projects more specifically described in the attached engineer's report.

Ms. Efaw first reported on the status of painting at water plant no. 2 and recommended the Board approve Change Order No. 2 in the amount of \$2,250.

Ms. Efaw next discussed and requested that the Board approve a capacity commitment to serve a proposed office building development on Katy Briar Lane and authorize ABHR to prepare the utility commitment letter.

Ms. Efaw discussed the May 1, 2017 permit expiration for the wastewater treatment plant, the deadline to submit a renewal application and requested authorization to begin preparation of the renewal application on an hourly basis under the District's current contract with Brown & Gay for an amount not to exceed \$30,000.

The Board next discussed invoices received from Storm Water Solutions, LLP for previously approved repairs in the District and requested that the invoice submitted be revised to remove billing for work at Bridgewater Meadow and resubmitted with the Ember Canyon project only.

Ms. Efaw first discussed the status of design of the Mason Road Sanitary Sewer Extension, Phase 2 and recommended the Board approve Pay Estimate No. 4 and Final in

the amount of \$29,129.40. The Board requested Brown & Gay to request the contractor to clean the street due to construction filter fencing that fell over.

Following review and discussion, upon a motion by Director Elms and a second by Director Thornhill, the Board voted unanimously to (1) approve the engineering report; (2) approve all change orders and pay estimates discussed above; (3) approve a utility commitment to serve a 5 acre tract on Katy Briar Lane, as discussed above, and authorize ABHR to prepare the utility commitment letter; and (4) authorize Brown & Gay to prepare an application for permit renewal for the wastewater treatment plant for an amount not to exceed \$30,000.

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. He updated the Board regarding the status of design and plan approval for the Bundy Lake Plaza renovation, construction/installation of Lone Star Lake improvements, investigation regarding controller options for lighting at the Bundy Lake monument and tree removal and bulkhead extension on the Bundy Lake island. Director Elms commented that additional lighting installed in the cul de sac at Bundy Lake Park needs to be redirected to cover a larger area. Discussion ensued regarding issues concerning and options for controlling duck population at Bundy Lake Park and securing and/or fencing District facilities, including Bundy Lake Park.

Following review and discussion, upon a motion by Director Smith and a second by Director Elms, the Board voted unanimously to approve the Parks Report.

DISTRICT WEBSITE

There was no additional discussion for this agenda item.

SUMMER SPLASH

The Board concurred to defer discussion regarding planning for a summer community event on or about July 30 from 10:30 a.m. to 1:00 p.m. until the May special meeting so Ginny Woodring can be present to participate in planning.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

Director Kerr requested that RWC and Best Trash, LLC work together to reconcile the count discrepancy between the garbage connections charged to the District and the RWC connection count.

Ms. Carner next discussed correspondence received from Acclaim Energy Advisors regarding participation in ERCOT's Emergency Response Services and CenterPoint Energy Commercial Load Management Programs and the Board concurred to place an agenda item on the June regular meeting agenda to receive additional information from Acclaim Energy Advisors and discuss the correspondence more fully.

The Board also concurred to place an agenda item on the June regular agenda to discuss recycling RATES.

The Board also discussed touring the District's parks and recreational facilities and concurred to tentatively schedule a tour meeting on June 16, 2016 at 6:00 p.m.

The Board discussed splash pad hours and concurred to open the splash pad on Memorial Day and from 10:00 a.m. to 8:00 p.m. on weekends until summer.

ATTORNEY'S REPORT

The Board reviewed and revised the Action List and discussed and amended the status of the items listed and confirmed a May 16, 2016 special canvassing meeting and a May 31, 2016 special meeting.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 8:00 p.m. Director Elms seconded the motion, which passed unanimously.


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

Tax assessor/collector's report	2
Operator's report	3
Termination and tap withholding list	4
Engineer's report	4