

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

November 14, 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 14th day of November, 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 Thornhill, thus constituting a quorum.

Also present were Patrick Beech, District resident; Trent Gamble, District resident and President of the Lakes of Bridgewater Homeowners Association; Julie Glass of United Development Funding; Deputy Gasper of Harris County Sherriff's Department; Tina Kelsey of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); Ana Duarte of Tax Tech, Inc.; Steve Woodring of Regional Water Corporation ("RWC"); and Katie Carner and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

Director Kerr called the meeting to order at 6:03 p.m.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

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

Mr. Beech addressed the Board regarding utility bills received late, penalties assessed for late payment and high bills. Mr. Woodring said he would follow up with Mr. Beech.

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 6:10 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 Officer Gaspar. Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:26 p.m., the Board reconvened in Open Session.

MINUTES

The Board considered approving the minutes of the October 10, 2016 regular meeting. Following review and discussion, Director Smith moved to approve the October 10, 2016 regular meeting minutes, as submitted. The motion died for lack of a second and the Board concurred to defer approval of the October 10, 2016 regular meeting minutes until the November 28, 2016 special meeting.

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

The Board reviewed and discussed an Action Item Report on Park, Landscape and Lake Maintenance and Repair from Mike Stone Associates ("MSA"), a copy of which is attached. Director Elms requested that MSA follow up regarding lights out in the fountains behind the gazebo at Bundy Lake.

GARBAGE COLLECTION AND RECYCLING

Mr. Woodring updated the Board regarding a replacement dumpster at the wastewater treatment plant for solid waste removal services.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Duarte reviewed the monthly tax assessor/collector's report, a copy of which is attached, including an update on 2015 and 2016 taxes collected as of October 31, 2016 and discussed updated certified values for 2016.

Ms. Duarte also recommended the Board enter into a contract with First Billing for processing credit/debit card transactions.

After review and discussion, Director Kerr moved to (1) approve the tax assessor/collector's report; (2) authorize payment of the bills presented for payment from the tax account; and (3) approve a contract with First Billing for processing credit/debit card transactions. Director Elms seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

REPORT ON DEVELOPMENT

Ms. Glass updated the Board regarding plans for the Lakes of Mason Park, Sections 5 and 6 discussed necessary financing documents, including a termination of prior developer financing agreement, collateral assignment of reimbursements and new developer financing agreements.

HOLIDAY IN THE PARK

Mr. Woodring updated the Board regarding mail out and website posting of the "Save the Date" flyer, and the Board discussed vendor raffles and promotional/informational items for residents attending. Mr. Gamble discussed coordinating scheduling of the Lakes of Bridge Homeowners Association holiday event with the District next year to avoid conflicts.

ARBITRAGE REBATE AND YIELD RESTRICTION CALCULATION SERVICES

The Board next considered a proposal from Omnicap, LLC to conduct the District's arbitrage rebate and yield restriction calculation services for the District's outstanding bond issues. Following review and discussion, upon a motion by Director Smith and a second by Director DuBois, the Board voted unanimously to approve the proposal from Omnicap, LLC.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Kelsey reviewed a summary of the bookkeeper's report and investment report, copies of which are attached, and presented the bills for payment. 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 Kerr 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 October 2016 and current water and wastewater capacity. He also reported on build out projections, pending insurance claims and fire hydrant flushing and repair.

Mr. Woodring also requested authorization to make a sanitary sewer point repair to a lateral line underneath a sidewalk at 2615 Marble Manor for an estimated cost of \$4,500.

Discussion continued regarding payments and account application paperwork received from Mr. Beech and penalties assessed. Following review and discussion, upon a motion by Director Kerr and a second by Director Smith, the Board voted unanimously

to waive the \$35 reconnection fee assessed following disconnection of services due to delay in receipt of Mr. Beech's application for service.

Following review and discussion, Director Smith moved to (1) approve the operator's report; (2) authorize a sanitary sewer point repair to a lateral line underneath a sidewalk at 2615 Marble Manor for an estimated cost of \$4,500 estimate. The motion, which was seconded by Director DuBois, passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Woodring presented a list of delinquent customers to the Board and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Kerr moved to authorize termination of delinquent accounts in accordance with the District's Rate Order, direct that the delinquent customer list be filed appropriately and retained in the District's official records and that further taps be withheld from Royce Homes, Trophy Homes, Colina Homes and Vestalia Homes until back-charges are paid. The motion was seconded by Director DuBois and passed by unanimous vote.

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 discussed the status of Water Plant Nos. 1 and 2 improvements and recommended the Board approve an invoice from Tolunay-Wong Engineers in the amount of \$2,036.50 for materials testing.

Ms. Efaw next reported the status of construction of Water Plant No. 3 and recommended the Board approve and sign the plat.

Ms. Efaw then discussed Mason Road Sanitary Sewer Extension, Phase 2 and presented a proposal from Ninyo & Moore in the amount of \$12,266 for materials testing.

Discussion ensued regarding oversizing of the drainage system and detention pond to accept stormwater from future Westgreen Boulevard and gas pipeline crossings, including insurance coverage required by the pipeline company.

Ms. Efaw next discussed a request for water and sewer capacity commitment in the amount of 1.17 equivalent single family connections ("ESFC") from Fleetwood

Church of Christ and Ms. Carner reviewed a proposed utility commitment letter to Fleetwood Church of Christ. The Board concurred to defer action until the November 28, 2016 special meeting, pending receipt of the required Form 1295.

Mr. Carner next reviewed a Consent to Encroachment for Mason - Morton Ranch, LLC, to use a portion of the District's sanitary sewer easement for paving, landscaping, and monument signage for a proposed Circle K development.

The Board next reviewed an Interlocal Agreement with the Harris County Flood Control District ("HCFC") regarding mowing of the U101-08-00 drainage channel.

Following review and discussion, upon a motion by Director Elms and a second by Director Smith, the Board voted unanimously to (1) approve the engineering report; (2) approve all proposals and invoices discussed above; (3) authorize signature on the plat for Water Plant No. 3; (4) approve an Interlocal Agreement with the HCFC regarding mowing of the U101-08-00 drainage channel and authorize signature by the presiding officer at the meeting; and (5) approve the Consent to Encroachment with Mason - Morton Ranch, LLC.

DISTRICT WEBSITE

The Board discussed and concurred to post the following to the District website:

1. Holiday in the Park invitation;
2. Notice to residents of property taxes due; and
3. Notice to residents regarding precautionary safety measures for the holiday season.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

The Board discussed agenda items for the November special meeting.

ATTORNEY'S REPORT

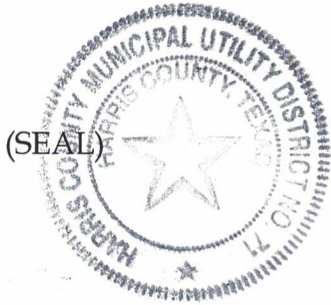
The Board reviewed and revised the Action List and discussed and amended the status of the items listed and confirmed a special meeting on November 28, 2016. The Board discussed agenda items for the November special meeting.

The Board discussed with Mr. Gamble attending meetings of the Lakes of Bridgewater Homeowners Association.

There being no additional business to consider, Director Smith moved to adjourn the meeting at 7:58 p.m. Director DuBois seconded the motion, which passed unanimously.

Mary DuBois

Secretary, Board of Directors



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