

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

December 12, 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 12th day of December, 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:

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| 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 Trent Gamble and Verena Louise San Miguel, District residents and board members of the Lakes of Bridgewater Homeowners Association; Avik Bonnerjee of B&A Municipal Tax Service, LLC; Nick Cooke of Mike Stone Associates, Inc.; Deputy Arhelger of Harris County Sherriff's Department; Tina Kelsey of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); Esther Flores of Tax Tech, Inc.; Steve Woodring and Ginny Woodring of Regional Water Corporation ("RWC"); 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 said there were no website inquiries requiring Board action.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Mr. Bonnerjee provided an updated sales tax permit audit, a copy of which is attached, and discussed accounts added and removed since the last quarterly report.

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 6:09 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 Arhelger. Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:30 p.m., the Board reconvened in Open Session. A copy of the security report is attached

MINUTES

The Board considered approving the minutes of the November 14, 2016 regular meeting. Following review and discussion, Director Elms moved to approve the November 14, 2016 regular meeting minutes, as amended. The motion was seconded by Director Smith and passed 4 to 0, with Director Thornhill abstaining from voting.

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

Mr. Cooke provided an overview for 6 phases for construction of renovation of the Bundy Lake Plaza, a copy of which is attached, and reviewed proposals for Phases 1 through 4 and 6. After review and discussion, because the proposals/bids reviewed would result in the best and most economical completion of Phases 1 through 4 and 6 of the project and based upon the recommendation of MSA, Director Smith moved to approve award of the contracts/proposals as follows:

1. Phase 1 for site demolition in the amount of \$15,900 to Four Palms, subject to review of bonds and insurance;
2. Phase 2 for lighting and electrical in the amount of \$31,518 to Spark Lighting, Inc., subject to review of bonds and insurance;
3. Phase 3 for pavement in the amount of \$74,220 to LN McKean, Inc., subject to review of bonds and insurance;
4. Phase 4 for landscape and irrigation in the amount of \$23,607.34 to Native Land Design, LLC, subject to review of bonds and insurance; and
5. Phase 6 for site furnishings and installation in the amount of \$17,183.33 to MSA, to be added as an exhibit to the District's existing Service Agreement with MSA.

Director Elms seconded the motion, which passed unanimously.

Mr. Cooke also discussed attempts to scrub the base of the Bundy Lake Monument and the Board requested that MSA change the monument lighting to a holiday pattern before the end of December.

TAX ASSESSMENT AND COLLECTIONS MATTERS (CONTINUED)

Ms. Flores reviewed the monthly tax assessor/collector's report including an update on 2016 taxes collected as of November 30, 2016.

After review and discussion, Director Kerr 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 DuBois seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

GARBAGE COLLECTION AND RECYCLING

Mr. Woodring reviewed a quote increasing the collection frequency to 3 times per week and to provide for a fortified dumpster at the wastewater treatment plant. Following review and discussion, upon a motion by Director Smith and a second by Director Kerr, the Board voted unanimously to approve the proposal, a copy of which is attached.

HOLIDAY IN THE PARK

The Board discussed follow up with guests participating in vendor raffles and promotional/informational items left over from the event.

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

The Board discussed the number of fees of office, meals, and maximum hotel accommodations for the Association of Water Board Directors ("AWBD") winter conference. Following discussion, Director Thornhill moved to authorize a maximum of: (1) two nights of hotel accommodations; (2) three days of director fees of office; (3) a daily meal expense not to exceed \$50.00; and (4) an advance for conference expenses in the amount of \$750 for each Director attending AWBD winter conference. Director Elms seconded the motion, which carried by unanimous vote.

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 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 for 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 first discussed a well motor failure at Water Plant No. 2 and said repair is estimated between \$30,000 and \$50,000. Discussion ensued regarding possible causes of the failure and evaluating surge protection at District facilities. Mr. Woodring confirmed that the failure was reported to the District's insurance carrier. Following review and discussion, upon a motion by Director Kerr and a second by Director Elms, the Board voted unanimously to authorize repair of the well motor.

Mr. Woodring next reviewed a proposal to replace 12 light pole fixtures at the wastewater treatment plant for an estimated amount of \$12,000. He stated he would get another proposal for the work.

Mr. Woodring next reviewed a customer appeal from customer, Jamesia McDonald requesting a leak adjustment. Mr. Woodring confirmed that the leak occurred on the customer side of the service line and has been repaired. Mr. Woodring confirmed that the water was metered and recommended offering the customer a payment plan. After considering the information provided by the District operator and the customer, Director Kerr moved to authorize the District operator to offer the customer a 6 month payment plan. The motion, which was seconded by Director Smith, passed unanimously.

Mr. Woodring reported pumpage numbers for November 2016 and current water and wastewater capacity. He also reported on build out projections, pending insurance claims and fire hydrant flushing and repair.

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

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 Smith moved to authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of Jamesia McDonald, 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 reported the status of improvements at the wastewater treatment plant and recommended approval of Pay Estimate No. 1 in the amount of \$82,476, payable to R & B Group, Inc. and an Affidavit to the Public for maintenance of the required storm water quality feature permit.

Ms. Efaw next reported that the wastewater treatment plant onsite lift station mixer has been installed and recommend the Board approve Change Order No. 1 deducting \$14,849 from the contract total due to the installation of a different, and lower priced, mixer, removal of the hand crank hoist to repair the existing jib crank hoist motor and adjustment of the bond price.

Ms. Efaw said that BGE and RWC are working to provide information for a water blending study requested by the West Harris County Regional Water Authority by December 16, 2016.

Ms. Efaw next requested authorization to prepare a Multi-Sector General Permit and Storm Water Pollution Prevention Plan required for wastewater treatment plants over 1 million gallons per day.

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.

Following review and discussion, upon a motion by Director Elms and a second by Director Kerr, the Board voted unanimously to (1) approve the engineering report; (2) approve execution of an Affidavit to the Public for maintenance of the required storm water quality feature permit at the wastewater treatment plant; (3) approve all pay estimates and change orders upon the recommendation of BGE; (4) authorize BGE to prepare a Multi-Sector General Permit and Storm Water Pollution Prevention Plan; and (5) approve a utility commitment letter to Fleetwood Church of Christ.

DISTRICT WEBSITE

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

1. Notice of West Harris County Regional Water Authority Fee Increases effective January 1, 2017.

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 confirmed a special meeting on January 25, 2017 and to make the 4th Wednesday of each month a recurring special meeting date. The Board discussed agenda items for the January regular meeting.

Ms. Carner reported that the District is required to submit to the Comptroller's office not later than February 1st of each year a report of any exercise of the District's eminent domain authority during the calendar year. Ms. Carner confirmed that the District's report to the Comptroller was filed on November 3.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 8:10 p.m. Director Kerr seconded the motion, which passed unanimously.



Mary Dubois
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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