

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

July 10, 2017

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 July 2017, 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 Deputy Steve Arhelger of Harris County Sherriff's Department; Tina Kelsey of Myrtle Cruz, Inc.; Judy Larger, Sherrie Hamm and Dan Stadnick, District residents; Eric Heppen, District resident and as a representative of the Vineyard Meadows Homeowner's Association; Nick Cooke of Mike Stone Associates, Inc. ("MSA"); Candi Carpenter and Trent Gamble, District residents and as representatives of the Lakes of Bridgewater Homeowner's Association; Alene Efaw of BGE, Inc. ("BGE"); Esther Flores of Tax Tech, Inc.; Steve Woodring and Scott Barr 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 first reviewed website inquiries requiring no Board action, including inquiries from Jennifer Esparza, Faraad Mohamed, Ollie Barrow, Rebecca Flores, Ibrahim Mahmood and Ashleigh Allen.

Mr. Woodring discussed a request from the Morton Ranch Homeowner's Association to remove a tree on a fence line near the Morton Ranch detention pond.

Mr. Woodring also reviewed an email request from Ms. Hamm requesting removal of the newly installed monument sign at the Bundy Lake plaza.

Mr. Heppen inquired regarding public access to Bundy Lake Park and regarding fencing.

Ms. Carpenter and Ms. Larger commented regarding the naming of Bundy Lake Park and requested additional information.

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

Director Kerr discussed the history of the development of District recreational facilities, including Bundy Lake, and the manner in which they were conveyed to the District and named. Discussion ensued regarding the design and construction process for the Bundy Lake Plaza renovations, including the newly installed sign.

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 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.

MINUTES

The Board considered approving the minutes of the June 12, 2017 regular meeting. Following review and discussion, Director Smith moved to approve the June 12, 2017 regular meeting minutes, as amended. The motion was seconded by Director DuBois and passed unanimously.

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

Mr. Cooke reviewed a Parks Management Report, a copy of which is attached to these minutes. He updated the Board regarding maintenance completed, including landscape maintenance, irrigation inspection and emergency items repaired at Director's Park and Bundy Lake Park, District detention ponds, District common areas, and the District Administration Building.

Mr. Cooke provided an update on the duck population at Bundy Lake and previously reported duck feeding concerns related to District efforts to control the duck population at Bundy Lake. He next reviewed a proposals and pricing for duck population control management through MSA or two other vendors. Following review

and discussion, Director Smith moved to approve MSA's proposal. Director Thornhill seconded the motion, which passed unanimously.

Mr. Cooke reported ongoing issues with the splash pad proximity sensor and said Vortex plans to install an activation bollard retro fit kit for the splash pad button by July 21, 2017. He reported that the splash pad vault was accessed without authorization on July 3, 2017, so MSA changed the locks to re-secure the vault.

Mr. Cooke updated the Board regarding ongoing investigation of a collapsed segment of trail and trail cracking at Lone Star Lake. He recommended authorizing Storm Water Solutions LP to investigate and repair the sinkhole for an estimated cost not to exceed \$4,000 in time and materials. He also said Pavecon, Ltd. submitted an estimate in the amount of \$13,605.25 to repair trail cracking. Mr. Cooke said he will be meeting with another contractor, Camino Services, for a second opinion and an additional repair quote. Following review and discussion, upon a motion by Director Smith and a second by Director Elms, the Board voted unanimously to authorize Storm Water Solutions, LP to investigate and repair the sinkhole for an estimated cost not to exceed \$4,000 in time and materials.

Director DuBois reported that Paul Hawkins of Harris County Commissioner Precinct 3 ("Precinct 3") stated Precinct 3 will assist with design and construction of the proposed sidewalk along Vineyard Meadow Trail and Lakes of Bridgewater Drive. She stated Precinct 3 currently is working on a cost estimate and to determine Precinct 3's level of participation. Discussion ensued regarding proposed construction of a sidewalk along Mason Road for improved student access to Morton Ranch Elementary, including a pedestrian bridge. Following discussion, the Board concurred to contribute financially towards the proposed construction of the sidewalk along Vineyard Meadow Trail and Lakes of Bridgewater Drive, but agreed to wait for an estimate from Precinct 3 before committing to an exact amount.

Following review and discussion, Director Kerr moved to approve the Parks Management Report. The motion was seconded by Director DuBois and carried unanimously.

The Board next considered Ms. Hamm's request to remove the park monument sign at Bundy Lake plaza, as discussed earlier in the meeting. Upon a motion by Director Kerr and a second by Director Elms, the Board voted unanimously to deny the request.

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, a copy of which is attached, including an update on 2016 taxes collected as of June 30, 2017. 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 Thornhill seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT WINTER CONFERENCE

The Board next considered expenses submitted by Board members who attended the summer conference and considered authorizing attendance at the AWBD winter conference and summer workshop. The bookkeeper noted the expenses are in compliance with the District's travel and reimbursement guidelines. Director Thornhill moved to authorize reimbursement of the eligible expenses submitted for the summer conference and attendance by all interested directors at the AWBD winter conference and summer workshop. The motion was seconded by Director Elms and passed by a vote of 4 to 0, with Director Kerr being absent during voting.

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 Thornhill moved to approve the bookkeeper's report, investment report and payment of the bills submitted. The motion was seconded by Director DuBois and passed by a vote of 4 to 0, with Director Kerr being absent during voting.

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. He and Ms. Carner discussed services offered and fees charged by Value Payment Systems. The Board concurred to defer further discussion pending receipt of additional information from RWC showing a breakdown of the District's current available payment options and the number of customers using each payment option. Mr. Woodring said that BBVA Compass Bank is working on similar payment options.

The Board next reviewed and discussed a high volume water users report for the month of June, 2017.

Director Kerr left the meeting.

Mr. Woodring updated the Board regarding ongoing power surge monitoring at water plant no. 2.

Ms. Carpenter requested information to distribute among members of their homeowner's associations regarding the effect of improper disposal of disposable wipes and rags on District facilities.

Mr. Woodring discussed the tap fee for O'Reilly's Auto Parts ("O'Reilly's") and confirmed that RWC inspected the water meter vault installed by O'Reilly's contractor without the District's permission. He said the vault meets District standard and discussed options if the District chose to credit O'Reilly's for the installation of the water meter vault.

Mr. Woodring reported on pumpage numbers for June 2017 and current water and wastewater capacity. He also reported on build out projections, and pending insurance claims. Following review and discussion, Director Thornhill moved to approve the operator's report. The motion, which was seconded by Director Smith, passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Woodring updated the Board regarding customer compliance with previously approved customer payment plans.

Mr. Woodring then 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 DuBois moved to authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of Jemesia McDonald. The motion was seconded by Director Smith and passed unanimously.

WATER WISE SPONSORSHIP

There was no discussion and no action was taken on this agenda item.

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 discussed the status of the District's offer to The Protestant Episcopal Church Council of the Dioceses of Texas to purchase an 18' x 40' property needed to install a generator to serve the Mason Road lift station.

Ms. Efaw discussed the construction schedule for Water Plant No. 1 and No. 2 Improvements and recommended approval of Pay Estimate No. 13 in the amount of \$85,792.50, payable to Long & Sons, Inc. Ms. Efaw said BGE has requested the contractor submit an updated construction schedule. Discussion ensued regarding requesting the bookkeeper to hold the check until the requested schedule is provided and work recommences.

Ms. Efaw reported on the status of construction of Water Plant No. 3 and recommended approval of Pay Estimate No. 4 in the amount of \$494,194.50, payable to WW Payton and an invoice from Ninyo & Moore for materials testing in the amount of \$3,409.60.

Ms. Efaw next reported regarding the Wastewater Treatment Plant Improvements and recommended approval of an invoice from Tolunay-Wong Engineers in the amount of \$1,346.50. Discussion ensued regarding projected contractor completion schedules.

Ms. Efaw discussed the status of construction of water, sewer and drainage facilities to serve Lakes at Mason Park, Sections 5 and 6 and recommended approval of Pay Estimate No. 3 in the amount of \$34,548.06, payable to Lischka Utilities.

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; and (2) approve all pay estimates and invoices discussed above upon the recommendation of BGE, with Pay Estimate No. 13 to Long & Sons, Inc. to be held by the bookkeeper until submission of an updated schedule and recommencing of work on site.

DISTRICT WEBSITE

Director Elms updated the Board regarding recent posts to the District website regarding trash collection holiday schedules and informational videos from the West Harris County Regional Water Authority. The Board requested that MSA work with Director Kerr to post information on the District website regarding the history and naming of Bundy Lake.

DISCUSS HOLIDAY IN THE PARK AND POTENTIAL FALL EVENT

There was no discussion for this agenda item.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS ABOUT DISTRICT OPERATIONS

There was no 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. The Board discussed agenda items for the July special meeting.

Ms. Carner reviewed the Capitol Report regarding current legislative matters.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC (CONTINUED)

Mr. Stadnick requested the Board consider constructing a walking trail around Mirror Lake and offered to assist the Board with resident outreach to determine what kind of trail and amenities the area residents prefer. Discussion ensued regarding ongoing operational issues with fountains in Mirror Lake.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

At 8:28 p.m. the Board, convened in Executive Session, to conduct a private consultation with the District's attorney to discuss pending or contemplated litigation. Ms. Carner and Ms. Miller were also present during executive session.

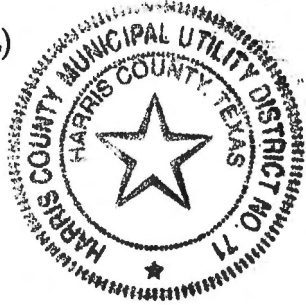
RECONVENE IN OPEN SESSION

At 8:35 p.m. the Board reconvened in open session.

There being no additional business to consider, Director Elms moved to adjourn the meeting at 8:36 p.m. Director Smith seconded the motion, which passed unanimously.

Mary DeBois
Secretary Board of Directors

(SEAL)



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