

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

February 12, 2018

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 February, 2018, 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 Deputy Steve Arhelger of the Harris County Sheriff's Office; Tracey Scott of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); Laura Flores of Tax Tech, Inc.; James Woodring and Scott Barr of Regional Water Corporation ("RWC"); Nino Corbett of Compass Land Development, LP; 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 updated the Board regarding emails received through the District website and response returned to the customers making inquiries.

Mr. Corbett updated the Board regarding the status of design of improvements for a 14.288 acre tract to be annexed into the District. Ms. Efaw confirmed that the District has funds on deposit to cover the engineering fees incurred on the project to date.

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 6:08 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 6:22 p.m., the Board reconvened in Open Session.

MINUTES

The Board considered approving the minutes of the January 8, 2018 regular meeting and November 27, 2017 special meeting. Following review and discussion, Director Kerr moved to approve the January 8, 2018 regular meeting and November 27, 2017 special meeting, as submitted. The motion was seconded by Director Smith and passed unanimously.

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

Ms. Carner updated the Board regarding proposed construction of a sidewalk on the west side of Lakes of Bridgewater Drive from north of Clay Road to McDonald Junior High. Ms. Carner requested authorization to prepare a cost sharing agreement by and among the District and Vineyard Meadow Homeowner's Association and the Lakes of Bridgewater Homeowner's Association for the shared construction costs of the proposed sidewalk. She reminded the Board that Harris County, Precinct 3 has agreed to construct and maintain the proposed sidewalk. After discussion, the Board concurred to authorize ABHR to prepare the cost sharing agreement.

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 and 2017 taxes collected as of January 31, 2018.

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 Thornhill seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

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

Director Elms reported regarding AWBD seminars, topics and awards. Ms. Scott stated that she has reviewed the eligible expenses and all directors who attended the

AWBD winter conference were in compliance with the District's Travel Reimbursement Guidelines. Following review and discussion, Director Thornhill moved to authorize reimbursement of eligible expenses and authorize attendance at the AWBD summer conference for any director who would like to participate. Director Kerr seconded the motion, which was approved by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Scott reviewed a summary of the bookkeeper's report and investment report, copies of which are attached, and presented the bills for payment. Ms. Scott also reviewed a draft joint facilities budget for the fiscal year ending March 31, 2019. Discussion ensued regarding expense line items in the draft joint facilities budget for sludge hauling. Ms. Efaw discussed one-time operational expenses included in the draft joint facilities budget. After review and discussion, Director Kerr moved to (1) approve the bookkeeper's report and investment report; and (2) approve the joint facilities budget for the fiscal year ending March 31, 2019. Director Elms 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 on pumpage numbers for January 2018 and current water and wastewater capacity and reviewed and discussed a high volume water users report for the month of January 2018.

Mr. Woodring discussed maintenance and repair of District facilities during the month of January, 2018 and requested authorization to make the following repairs:

1. repair of booster pump no. 1 electric motor and related electrical damage at water plant no. 2 in the amount of \$18,500; and
2. replacement of the backflow preventer at the wastewater treatment plant in the amount of \$5,400.

Mr. Woodring presented an appeal from customer, Vanessa Perez, requesting a full refund for a cancelled building rental due to emergency medical issues. Following review and discussion, upon a motion by Director Smith and a second by Director Elms, the Board voted unanimously to authorize the District operator to refund a building rental fee to Vanessa Perez.

Ms. Efaw and Mr. Woodring discussed calculation of the non-taxable user tap fee for Fleetwood Church and recommended approval of a fee in the amount of \$40,644.87 plus engineering fees for a total tap fee of \$48,781.32.

Following review and discussion, Director Smith moved to (1) approve the operator's report; (2) approve and authorize the repairs listed above; and (3) authorize the District operator to invoice Fleetwood Church of Christ for a non-taxable user tap fee in the amount of \$48,781.32. The motion, which was seconded by Director Elms, passed unanimously.

Ms. Carner discussed a recently issued City of Houston Ordinance offering account/usage adjustments to customers with documentable flooding damage from Hurricane Harvey. Discussion ensued.

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 Smith moved to authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of Kelly Wilson, Caryn LeBlanc and Steve and Starr Luu and that further taps be withheld from Royce Homes, Trophy Homes, Colina Homes, Vestalia Homes and History Maker Homes until back-charges are paid. The motion was seconded by Director Kerr and passed unanimously.

RESOLUTION APPROVING SUBMITTAL OF THE WATER SMART APPLICATION

Mr. Woodring presented and reviewed a Resolution Approving Submittal of the Water Smart Application ("Resolution"). Following discussion and review, Director Thornhill moved to approve the Resolution and authorize the District's operator to submit the Resolution and all necessary information for the District's Water Smart application. Director Elms seconded the motion, which passed 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 updated the Board regarding the status of emergency repair of the 12-inch potable water line that spans Mayde Creek and said the additional pipe brackets

have been delivered and will be installed this week. Ms. Efaw recommended approval of Change Order No. 1 increasing the contract amount by \$6,000 for the 2 additional brackets previously discussed. The Board determined that Change Order No. 1 is beneficial to the District.

Ms. Efaw also reported on the status of bringing power to water plant 3 and stated the meter has been installed. She also recommended that the Board approve payment of an invoice in the amount of \$327.50 from Ninyo & Moore for materials testing.

Ms. Efaw next updated the Board regarding contractor completion of punch list items associated with the wastewater treatment plant improvements and recommended payment of Pay Estimate No. 12 in the amount of \$43,712.10 and Pay Estimate No. 13 in the amount of \$149,472.10, both payable to R&B Group, Inc.

Ms. Efaw discussed a request received from Kinmax LLC for an encroachment into an existing sanitary sewer easement for a parking lot and requested authorization for ABHR to prepare a consent to encroachment subject to receipt a legal description showing the proposed encroachment area.

Following review and discussion, upon a motion by Director Thornhill and a second by Director Elms, the Board voted unanimously to (1) approve the engineering report; (2) approve the Change Order listed and as discussed above, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation; (3) approve the pay estimates and invoice listed above, based upon the engineer's recommendation; and (4) authorize ABHR to prepare a consent to encroachment subject to receipt a legal description showing the proposed encroachment area.

Ms. Efaw recommended that the District accept Reserves I and J as part of the Bridgewater Meadow, Section 4 detention proposed for conveyance. Ms. Carner presented a Special Warranty Deed for the additional acreage from Bridgewater Meadow IV, Ltd. Following review and discussion, the Board concurred to table acceptance pending confirmation from Storm Water Solutions, LP that the contractor has made the erosion repairs requested by the Board.

SPRING EVENT

The Board concurred to defer discussion of this agenda item until the February 2018 special meeting and to hold the event in the summer, tentatively scheduled for July 28, 2018, rather than the spring.

KATY SAFETYFEST

The Board discussed the event and concurred to decline an invitation to host a booth at the Katy Safetyfest.

FIRST RESPONDER EVENT AND AGREEMENT FOR USE OF FACILITIES

Ms. Carner presented and reviewed an Agreement for Use of Facilities for a first responder event on April 12 and 13, 2018 by Enertech Technologies, LLC at Directors Park and the District Administration Building. Discussed ensued regarding waiving the rental fee associated with use of the park and building. Following review and discussion, upon a motion by Director Thornhill and a second by Director Elms, the Board voted unanimously to waive the rental fee. Director Kerr then moved to approve the Agreement for Use of Facilities, as presented. The motion was seconded by Director Elms and passed unanimously. Discussion ensued regarding trash pickup following the event.

DISTRICT WEBSITE

The Board discussed archiving material on the District website. The Board concurred to limit the posts on the homepage to the most recent five posts, with the exception of time sensitive issues and events.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

The Board considered membership to the Katy Economic Development Council ("Katy EDC"), but concurred not to join.

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 February special meeting and concurred to move the April, 2018 special meeting to April 30, 2018.

2018 DIRECTORS ELECTION

Ms. Carner discussed procedures related to the 2018 Directors Election. She reviewed an Order Calling Directors Election. Following review and discussion, Director Thornhill moved to adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records. Director Kerr seconded the motion, which passed unanimously.

Ms. Carner discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. Following discussion, Director Thornhill moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Kerr seconded the motion, which passed unanimously.

ENGINEERING MATTERS (CONT'D)

Ms. Efaw next recommended the Board accept a Water Meter Easement from Fleetwood Church of Christ and abandon the old water meter easement, which is no longer required. Following review and discussion, Director Thornhill moved to (1) accept a Water Meter Easement from Fleetwood Church of Christ; and (2) abandon the old water meter easement. The motion was seconded by Director Elms and passed unanimously.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:48 p.m. Director Kerr seconded the motion, which passed unanimously.

Mary Dubois

Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
tax assessor/collector's report	2
bookkeeper's report.....	3
investment report	3
operator's report	3
engineer's report.....	4