

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

April 9, 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 9th day of April, 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, thus constituting a quorum.

Also present were Deputy Gasper of the Harris County Sheriff's Office; Tracey Scott of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); Commissioner Mike Fleming and Lieutenant Simon Van Dyck of Harris County Emergency Services District No. 48 ("ESD 48"); Esther Flores of Tax Tech, Inc.; Stephen Woodring, Ginny 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 updated the Board regarding emails received through the District website and response returned to the customers making inquiries.

Ms. Carner discussed correspondence received regarding District directors elections and her response to same.

Lt. Van Dyck and Commissioner Fleming discussed plans for an upcoming annual Katy SafetyFest on April 14, 2018 and a first responder event on April 13, 2018 hosted by Eneritech Technologies, LLC at Directors Park and the District Administration Building.

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 6:02 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 Gasper. Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:16 p.m., the Board reconvened in Open Session.

MINUTES

The Board considered approving the minutes of the March 12, 2018 regular meeting. Following review and discussion, Director DuBois moved to approve the March 12, 2018 regular 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

There was no report or discussion for this agenda item.

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 2017 taxes collected as of March 31, 2018.

Ms. Flores next reviewed a list of aged delinquent personal property tax accounts recommended for write off as uncollectable. A copy of the list is attached.

After review and discussion, Director DuBois 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) authorize the tax assessor collector to write off accounts as uncollectable, as recommended and discussed. Director Elms seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

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. After review and discussion, Director Kerr moved to approve the bookkeeper's report and investment report. Director Smith 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 March 2018 and current water and wastewater capacity, updated the Board regarding the status of additional payment options for customers through BBVA Compass Bank, and reviewed and discussed a high volume water users report for the month of March 2018.

Mr. Woodring next requested authorization to replace an electronic level controller at Lift Station No. 4 with an ultrasonic level transmitter for an estimated cost of \$6,500. Following review and discussion, Director Thornhill moved to approve replacement for an amount not to exceed \$6,500. The motion was seconded by Director Smith and passed unanimously.

Mr. Woodring then reported that the soft start unit at the Mason Lakes remote well failed. He said he will file a claim with the District's insurance carrier, but requested authorization up to \$15,000 to either repair or replace the unit. Following review and discussion, Director Thornhill moved to authorize repair or replacement of the soft start unit at the Mason Lakes remote well, as discussed, for an amount not to exceed \$15,000. The motion was seconded by Director Kerr and passed unanimously.

Mr. Woodring next presented a customer appeal from Cynthia Mulkey at 20907 Banyan Crest Lane requesting a waiver of back charges for after hour service in the amount of \$66.82. Ms. Woodring reviewed the customer's account history. Following review and discussion, the Board concurred to request additional information, regarding timing for and notice of a payment the customer made in the amount of \$133.35. Discussion ensued regarding procedures in place for verification of receipt of electronic payments made by delinquent District customers.

Ms. Woodring reviewed a flyer for the summer event on June 2, 2018, at Directors Park.

Discussion ensued regarding vendors who sell and install automated meters and a potential meter replacement program.

Discussion ensued regarding parking for the April 13, 2018 first responder event at Directors Park and the District Administration Building and daily trash collection routes occurring on the same day. The Board concurred to request that RWC follow up to request that ESD 48 direct first responders attending the event not to park on residential streets behind Directors Park.

Following review and discussion, Director Kerr 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 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 Kerr moved to authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of Caryn LeBlanc 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 DuBois and passed unanimously.

ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

Mr. Woodring reviewed the Water Conservation Plan annual report with the Board. After review and discussion, Director Kerr moved to approve the annual report on the Water Conservation Plan, direct that the report be filed appropriately and retained in the District's official records, and authorize the District Operator to submit the report to the appropriate government agencies. Director Smith seconded the motion, which passed by unanimous vote.

ANNUAL REPORT ON IDENTITY THEFT PREVENTION PROGRAM

Mr. Woodring distributed and reviewed an annual report on the District's Identity Theft Prevention Program ("Program") reflecting the effectiveness of the Program in addressing Identity Theft risk. He noted that RWC is required to prepare an annual report as Program Administrator. Mr. Woodring stated that the annual report indicates no significant incidents of Identity Theft detection and he recommends no changes to the Program at this time.

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 recommended that the Board approve Pay Estimate No. 1 and final in the amount of \$92,960, payable to Earth Builders, LP. She then recommended that the District accept the project for maintenance. Following review and discussion, Director Kerr moved to approve Pay Estimate No. 1 and Final and accept the project, as recommended. Director DuBois seconded the motion, which passed unanimously.

Following review and discussion, upon a motion by Director Thornhill and a second by Director Smith, the Board voted unanimously to approve the engineering report.

SUMMER EVENT

There was no additional discussion for this agenda item.

DISTRICT WEBSITE

Director Elms updated the Board regarding the number of email message subscribers signed up through the District website for mass message distributions from the District. Director Smith requested information regarding the cost, if any, of adding text message alerts to the District's mass messaging system for the next regular meeting.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

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 April special meeting.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT
CODE

At 7:35 p.m., the Board met in executive session to conduct a private consultation with the District's attorney to discuss pending or contemplated litigation or a settlement offer. Ms. Carner and Ms. Miller also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

At 7:51 p.m., the Board reconvened in Open Session.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:52 p.m. Director DuBois seconded the motion, which passed unanimously.

Mary DuBois

Secretary, Board of Directors

(SEAL)

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