

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

June 11, 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 11th day of June, 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 Directors DuBois and Elms, thus constituting a quorum.

Also present were Deputy Gaspar of the Harris County Sheriff's Office; Christie Leighton of Best Trash, LLC; Tracey Scott of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); Laura Flores of Tax Tech, Inc.; Robert Moorman of Aurous Development Services, Ltd.; Lonnie Lee 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. Lee updated the Board regarding emails received through the District website and response returned to the customers making inquiries.

Discussion ensued regarding an email received from the Bridgewater Homeowner's Association requesting assistance with coordination of and costs for installation of taps and a meter for irrigation lines.

The Board next discussed a complaint from customer, Brenda Campbell, at 3835 Bridgebluff Lane, received by the District bookkeeper and attorney regarding penalties and fees charged on her account due to payment made following update of the billing system on the date delinquent accounts were scheduled to be terminated for nonpayment.

GARBAGE COLLECTION AND RECYCLING

Ms. Leighton reviewed an annual recycling and trash collection tonnage report and discussed Best Trash, LLC’s Consumer Pricing Index (“CPI”) increase for the period beginning June 1, 2018 and continuing through May, 2019. Following review and discussion, Director Smith moved to approve the CPI increase for the period beginning June 1, 2018 and continuing through May, 2019. The motion was seconded by Director Kerr and passed unanimously.

Discussion ensued regarding amending the District Rate Order to adjust the sanitary sewer base rate. Following review and discussion, Director Kerr moved to amend the District Rate Order to increase the sanitary sewer base rate, as discussed. The motion was seconded by Director Smith and passed unanimously.

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 Gaspar. Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:28 p.m., the Board reconvened in Open Session.

MINUTES

The Board considered approving the minutes of the May 14, 2018 regular meeting, but concurred to table discussion until the Board’s special meeting on June 27, 2018.

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

Ms. Carner next reported that payments from Lakes of Bridgewater and Vineyard Meadow Homeowners’ Associations (the “HOAs”) pursuant to a Cost Sharing Agreement for construction of a proposed Lakes of Bridgewater sidewalk extension have been received. She said the bookkeeping report includes a check to Harris County for construction costs, including the HOAs’ and District’s shares, which will be sent to Harris County upon approval by the Board.

Director Smith reported that, after receiving several inquiries from residents regarding splash pad hours of operation, he authorized Mike Stone & Associates, Inc.

("MSA") to order a new sign for the splash pad with hours of operation. Discussion ensued regarding adjusting irrigation heads in Directors Park, water levels at Bundy Lake and janitorial services for the Administration Building.

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 May 31, 2018. Ms. Flores also reported the District's preliminary taxable value for 2018 from the Harris County Appraisal District at \$756,253,775.

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.

COLLECTION OF DELINQUENT TAXES

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, L.L.P. to proceed with the collection of delinquent 2017 taxes, as of July 1, 2018. Upon a motion made by Director Smith and seconded by Director Thornhill, the Board unanimously authorized Perdue, Brandon, Fielder, Collins & Mott, L.L.P. to proceed with the delinquent tax collection.

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 Smith moved to approve the bookkeeper's report and investment report. Director Thornhill seconded the motion, which carried unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Lee 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. Lee reported on pumpage numbers for May 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 May 2018. The Board concurred to defer action regarding an updated Service Agreement for BBVA Compass Bank pending review by ABHR.

Mr. Lee recommended and requested authorization to replace 2 bleach pumps at the wastewater treatment plant for an estimated cost of \$10,100.

Mr. Lee also recommended and requested authorization to repair the electric motor in booster pump no. 3 at water plant no. 2 for an estimated cost of \$12,400. Discussion ensued regarding filing an insurance claim. Following discussion, the Board concurred to decline submitting the repair cost to the District's insurance carrier for reimbursement.

Discussion ensued regarding establishing data connections for water plant no. 3, and the Board concurred to authorize RWC to use cellular service, if necessary.

Mr. Lee next presented a request from the Harris County Clerk to use the District Administration Building for voting on August 25, 2018 and November 6, 2018. The Board concurred to authorize use, as discussed, and asked that RWC remind Harris County election officials to pick up inside the building following use.

Mr. Lee said that the Fleetwood Church of Christ has requested an increase in utility capacity from 1.17 equivalent single family connections ("ESFC") to 1.8 ESFCs. Following discussion, the Board concurred to authorize an agenda item on the June 27, 2018 special meeting agenda to increase the utility capacity, as requested, subject to receipt of payment for costs of meter installation, plus payment of Fleetwood Church of Christ's pro-rata share of facilities and engineering fees.

Following review and discussion, Director Smith moved to (1) approve the operator's report; (2) authorize RWC to replace 2 bleach pumps at the wastewater treatment plant for an estimated cost of \$10,100; (3) authorize repair of the electric motor in booster pump no. 3 at water plant no. 2 for an estimated cost of \$12,400; (4) authorize use of the Administration Building by Harris County for elections on August 25, 2018 and November 6, 2018; and (5) authorize ABHR to prepare a revised utility capacity commitment for Fleetwood Church of Christ, as discussed, and subject to receipt of payment for costs of meter installation, plus payment of Fleetwood Church of Christ's pro-rata share of facilities and engineering fees. The motion, which was seconded by Director Kerr, passed unanimously.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

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

Mr. Lee 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 Censeo Homes, Royce Homes, Trophy Homes, Colina Homes and Vestalia Homes until back-charges are paid. The motion was seconded by Director Smith and passed unanimously.

INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE FOR WATER WISE SPONSORSHIP

The Board then considered executing an Interlocal Agreement with the Harris-Galveston Subsidence District for sponsorship of the Learning to be Water Wise program at Golbow Elementary. Following review and discussion, Director Kerr moved to authorize ABHR to send a communication on behalf of the District declining participation in the Water Wise program for the 2018-2019 school year. The motion was seconded by Director Smith and 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 plans to take water plant no. 1 out of service on or about June 19, 2018 for planned improvements. Ms. Efaw presented a draft letter to the contractor, Long & Sons, Inc. Following review and discussion, Director Thornhill moved to authorize BGE to send the letter to Long & Sons, Inc. Director Smith seconded the motion, which passed unanimously.

Ms. Efaw also updated the Board regarding a proposed development and annexation of a 14-acre tract, including development of a joint detention facility with the adjacent, in-District property owner/developer.

Ms. Efaw updated the Board regarding plat approval for Kids R Kids and pending reimbursement of construction costs to Bridgewater Meadow IV, LTD.

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

The Board discussed the summer event and follow up with vendors, including payment of invoices, for services provided.

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 June special meeting.

DISTRICT WEBSITE

There was no discussion for this agenda item.

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 June special meeting.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

At 7:20 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 7:26 p.m., the Board reconvened in Open Session.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:27 p.m. Director Kerr seconded the motion, which passed unanimously.



[Handwritten Signature]
Secretary, Board of Directors

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