

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

July 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 July, 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 Arhelger of the Harris County Sheriff's Office; Tracey Scott of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); Laura Flores and Esther Flores of Tax Tech, Inc.; Steve Woodring and Scott Barr of Regional Water Corporation ("RWC"); Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC; 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

There was no discussion for this agenda item.

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 6:01 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 6:34 p.m., the Board reconvened in Open Session. Following discussion in executive session, Director Kerr moved to approve a change in the security patrol schedule, as discussed in executive session. Director Smith seconded the motion, which passed unanimously. Ms. Miller said she would contact the contract patrol supervisor

and copy Director Kerr, as the Board liaison for security matters, to provide notice to the Harris County Sherriff's Department of the Board's consent to modify patrol hours.

AUDIT FOR FISCAL YEAR ENDED MARCH 31, 2018

Mr. Ellis reviewed the audit for the fiscal year ended March 31, 2018, a copy of which is attached. Following review and discussion, Director Thornhill moved to approve the audit for the fiscal year ended March 31, 2018, subject to final consultant review, and direct that the final audit be filed appropriately and retained in the District's official records. Director Kerr seconded the motion, which passed by unanimous vote.

MINUTES

The Board considered approving the minutes of the May 14 and June 11, 2018 regular meetings and the May 23, 2018 special meeting. Following review and discussion, Director Elms moved to approve the minutes of the May 14, 2018 meeting, as amended, and the June 11, 2018 regular and the May 23, 2018 special meetings, as submitted. The motion was seconded by Director Smith and passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Laura Flores reviewed the monthly tax assessor/collector's report, a copy of which is attached, including an update on 2017 taxes collected as of June 30, 2018.

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.

GARBAGE COLLECTION AND RECYCLING

There was no discussion for this agenda item.

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

Director Thornhil discussed seminar topics at the AWBD summer 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 Smith 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 Kerr and passed unanimously.

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 Thornhill seconded the motion, which carried unanimously. The Board also concurred to request that ABHR forward ABHR statement number 96414 to BGE to be deducted from the final payment made to Long & Sons, Inc. for work at water plant no. 1 related to the contractor's natural gas line strike.

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 June 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 June 2018.

Mr. Woodring requested authorization to replace 5 commercial meters for an estimated amount of \$5,300. Following discussion, Director Thornhill moved to approve meter replacement, as recommended by RWC. Director Kerr seconded the motion which passed unanimously.

Mr. Woodring next discussed data connection for water plant no. 3 and presented a Texas Department of Information Resources ("DIR") participation agreement with Verizon Wireless for cellular service for 10 auto-dailers, with the first to be installed at water plant no. 3. Following review and discussion, Director Smith moved to approve the DIR participation agreement with Verizon Wireless, subject to ABHR's review. The motion was seconded by Director Thornhill and passed unanimously.

Mr. Woodring next discussed an appeal from District customer, Latoya Rice, at 4507 Wheeler Peak Way, requesting an extension of time to pay a higher than average utility bill. Following review of information provided by the customer and RWC, Director Smith moved to authorize RWC to offer Ms. Rice up to a 6 month payment plan, with an initial offer of 3 months, and to remove Ms. Rice from the termination list for delinquent accounts. Director Elms seconded the motion, which passed unanimously.

Following review and discussion, Director Elms 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 Smith moved to authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of Latoya Rice and 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 Kerr and passed unanimously.

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

Director Smith reviewed an email update from Mike Stone Associates regarding pending and ongoing maintenance and repair projects in District parks, recreational areas and lake areas.

Ms. Carner updated the Board regarding ABHR review of draft contracts for proposed installation of fencing at Bundy Lake Park.

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 a gas line strike by Long & Sons over the weekend and CenterPoint Energy's emergency repair of same. The Board discussed consultant time required to respond to the incident and methods for requiring Long & Sons, Inc. to reimburse the District for any charges incurred by the District as a result of the line strike.

Ms. Efaw next reported that RWC will relocate a waterline lead and add a fire hydrant to the west side of the church driveway following Harris County installation of a stop light at Morton Ranch Road and Elroad Road.

Ms. Carner updated the Board regarding preparation of petitions for annexation of a 14.288 acre tract into the District and petitions to the City of Houston requesting consent to the proposed annexation. Ms. Efaw reported regarding the status of preparation of construction plans for the proposed project.

Ms. Efaw next reviewed the power quality review response from CenterPoint Energy regarding electrical evaluation of water plant no. 2. Discussion ensued regarding facility surge protection.

Ms. Efaw also discussed development of the District's Capital Improvement Plan ("CIP") and collection of data for the District's Geographical Information System ("GIS").

Following review and discussion, Director Smith moved to approve the engineer's report. Director Elms seconded the motion, which passed unanimously.

DISTRICT WEBSITE

Director Elms reported regarding email and text subscribers for emergency notifications and mass messaging through the District's website. Discussion ensued regarding posting emergency notifications on the District website.

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 July special meeting.

Ms. Carner updated the Board regarding the Valeria Woods matter.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board determined it was not necessary to convene in executive session.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:54 p.m. Director Smith seconded the motion, which passed unanimously.

Mary DuBois

Secretary, Board of Directors

(SEAL)



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