

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

August 13, 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 13th day of August, 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 Elms, thus constituting a quorum.

Also present were Deputy Arhelger of the Harris County Sheriff's Office; Nino R. Corbett of Compass Land Development, LLC; Esther Flores and Patrick Flores of Tax Tech, Inc.; Nick Cooke and John Fletcher of Mike Stone Associates, Inc.; Tracey Scott of Myrtle Cruz, Inc.; Steve Woodring and Ginny Woodring of Regional Water Corporation ("RWC"); Alene Efaw of BGE, Inc. ("BGE"); and Katie Carner and Justine M. Cherne 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 an email received through the District website and the response returned to the customer making an inquiry.

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 Arhelger. Ms. Carner and Ms. Cherne also were present. Director Elms entered the meeting at 6:11 p.m.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:29 p.m., the Board reconvened in Open Session.

MINUTES

The Board considered approving the minutes of the July 9, 2018 regular meeting. Following review and discussion, Director Elms moved to approve the minutes of the July 9, 2018 meeting, as written. The motion was seconded by Director Thornhill and passed unanimously.

ENGINEERING MATTERS

Mr. Corbett updated the Board on the status of BGE's preparation of construction plans for a proposed commercial development on a 14.288 acre tract proposed for annexation into the District and responded to Board members' questions. Ms. Carner updated the Board regarding preparation of petition for annexation of the tract into the District and petition to the City of Houston requesting consent to the proposed annexation. Ms. Efav reported on the status of preparation of revised District boundary map reflecting the area to be annexed and consent from the West Harris County Regional Water Authority.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Esther Flores reviewed the monthly tax assessor/collector's report, including an update on 2017 taxes collected as of July 31, 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 Smith seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

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

Mr. Cooke stated that five bids were received for fencing improvements proposed as part of the Bundy Lake Park Enhancements. Mr. Cooke said the landscape architect, Halff Associates, recommended that the Board award the contract to Four Seasons Development Co. ("FSD") in the amount of \$225,493.48. The Board concurred that, in its judgment, FSD was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Following review and discussion, Director Elms moved to award the contract for construction of fencing improvements proposed as part of the Bundy Lake Park Enhancements in the amount of \$225,493.48, based upon the landscape architect's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Smith seconded the motion, which passed by unanimous vote. Discussion ensued regarding notification provided to residents affected by the project, and follow up notifications, including door-to-door notification and website posting.

Mr. Cooke discussed repair options for the fence panels at Directors Park recently damaged by the driver of a tow truck. He stated that relocating existing fence panels from Bundy Lake Park provides approximately \$1,400.00 in cost savings over using new fence panels. After discussion, the Board concurred to defer consideration of the repairs until the special meeting to determine whether the tow truck company's insurance company will pay for the repair.

Ms. Carner next reviewed a letter to the District resident at 3714 Brighton Springs regarding a wooden bridge encroaching on District property. Following review and discussion, Director Kerr moved to authorize execution of the letter. Director Smith seconded the motion, which was approved by unanimous vote.

Ms. Carner stated that she will follow up with Storm Water Solutions, LP to obtain photographs of the site behind 2726 Blue Mills to determine whether the tree debris has been removed.

GARBAGE COLLECTION AND RECYCLING

There was no discussion regarding this agenda item.

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 Elms moved to approve the bookkeeper's report and investment report, with the exception of check no. 1850, pending discussion under the engineer's report. Director DuBois 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 July 2018 and current water and wastewater capacity, and reviewed and discussed a high volume water users report for the month of July 2018.

Mr. Woodring updated the Board regarding the status of additional payment options for customers through BBVA Compass Bank. Ms. Carner reported that BBVA Compass Bank is updating their online payment platform and need a new resolution authorizing treasury management services. Following review and discussion, Director Smith moved to authorize execution of a Resolution Approving Treasury Management

Services and Authorizing Operator. Director DuBois seconded the motion which was approved by unanimous vote.

Mr. Woodring reported on a tap line leak repair, including possible driveway removal/replacement, at 3434 Lakeland Gardens in the estimated amount of \$11,700.00.

Mr. Woodring discussed the District's repair approval policy last updated July 25, 2018. He recommended returning to the previous policy whereby emergency repairs in the amount of \$5,000.00 require approval by the Operator liaison, repairs between \$5,000.00 and \$10,000.00 require approval by two Board members, and repairs over \$10,000.00 require Board approval. Following discussion, the Board concurred to consider returning to the previous policy at the next Board meeting, pending review of the current policy.

The Board next discussed amending the District Rate Order to offer payment plans to delinquent customers. Mr. Woodring recommended that the Board make no changes to the current policy which authorizes RWC to provide a 30-day extension to delinquent customers one time within a 12-month period upon written request. Following discussion, the Board concurred that no amendments to the District's Rate Order are necessary at this time.

Following review and discussion, Director DuBois moved to approve the operator's report, including a tap line leak repair with possible driveway removal/replacement at 3434 Lakeland Gardens in the estimated amount of \$11,700.00. 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 Royce Builders, Trophy Homes, Vestalia Homes, and Colina Homes until back-charges are paid. The motion was seconded by Director DuBois and passed unanimously.

ENGINEERING MATTERS (CONTINUED)

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 first discussed the status of construction at water plant no. 1 and recommended the Board approve Pay Estimate No. 16 in the amount of \$110,407.50 and Pay Estimate No. 17 in the amount of \$206,010.00, both payable to Long & Sons, Inc.

Discussion ensued regarding costs incurred by the District related to a natural gas line strike by Long & Sons, Inc. and CenterPoint Energy's emergency repair of same. Ms. Carner recommended calculating the amount to be reimbursed to the District by Long & Sons, Inc. for the gas line strike as part of the final pay estimate.

Ms. Efaw next reported regarding installation of generators and gas meters, where appropriate, at the Mason Road, Vineyard Meadows, Mason Lakes, Bridgewater Meadow and Lakes at Mason Park lift stations and recommended the Board approve Pay Estimate No. 1 in the amount of \$231,579.00, payable to C.F. McDonald Electric, Inc.

Ms. Carner reported on an inquiry received from Harton Mason and Associates, Inc. requesting that the Board consider a telecommunications lease at the District's wastewater treatment plant. She discussed legal restrictions related to any proposed lease of the District's wastewater treatment plant site.

Ms. Efaw discussed potential projects included in the Harris County Flood Control District's special bond election that may affect drainage in the District.

Following review and discussion, Director Kerr moved to approve the engineer's report and, based on the engineer's recommendation to; (1) approve check no. 1850 for payment of Pay Estimate No. 16 in the amount of \$110,407.50 and Pay Estimate No. 17 in the amount of \$206,010.00, both payable to Long & Sons, Inc.; (2) approve Pay Estimate No. 1 in the amount of \$231,579.00, payable to C.F. McDonald Electric, Inc.; and (3) deny Harton Mason and Associates, Inc.'s request to lease a portion of the District's wastewater treatment plant site. Director Elms seconded the motion, which passed unanimously.

RESOLUTION CHANGING POSTING PLACE FOR NOTICE OF MEETINGS

The Board discussed a resident request to change the posting place from the District's Elrod water plant site to the District Administration Building. Ms. Carner suggested the possibility of adding the District Administrative Building as a courtesy posting place and keeping the Elrod water plant location as the official posting place. Following discussion, Director Smith moved to add the District Administrative

Building as a courtesy posting place, as recommended. Director DuBois seconded the motion, which was approved by unanimous vote. The Board requested that Ms. Carner notify the resident that the Board voted to post agendas at the Administration Building as a courtesy.

DISTRICT WEBSITE AND ELECTRONIC COMMUNICATION MATTERS

Director Elms reported that information was placed on the District's website regarding the Harris County Flood Control District's special bond election. She reported on the number of email and text subscribers for emergency notifications and mass messaging through the District's website. Following discussion, the Board requested that information on how to register for the District's text subscriptions be placed onto the utility bills.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

There was no discussion regarding this agenda item.

INSURANCE EXPIRING OCTOBER 1, 2018

The Board discussed renewal of the District's insurance on October 1, 2018, and concurred to request a renewal proposal only from the District's current carrier and to submit same for review by Director Thornhill in advance of the September regular Board meeting.

DISCUSS HOLIDAY IN THE PARK

The Board confirmed Holiday in the Park will be held on December 15, 2018, from 4:00 p.m. to 6:00 p.m. and discussed vendors and a budget for the event. Following discussion, Director Elms moved to approve a budget of \$4,000.00 for Holiday in the Park 2018. Director Smith seconded the motion, which passed unanimously. The Board requested a proposal for seasonal décor for review at the next meeting.

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 August special meeting.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 8:01 p.m. Director Smith seconded the motion, which passed unanimously.

Mary DeBais

Secretary, Board of Directors

(SEAL)

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