

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

October 22, 2018

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 71 (the "District") met in special session, open to the public, on the 22nd day of October, 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
Jennifer Elms	Assistant Secretary
Phillip Smith, Jr.	Assistant Vice President

and all of the above were present, except Director DuBois, thus constituting a quorum.

Also present were Scott Barr, Steve Woodring and Ginny Woodring of Regional Water Corporation ("RWC"); Nick Cooke and John Fletcher of Mike Stone Associates, Inc. ("MSA"); Alene Efaw of BGE, Inc. ("BGE"); Karen Sears of Storm Water Solutions, LP ("SWS"); 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 were no public comments.

Mr. Woodring discussed with the Board with an email received through the District website, including a customer report that the online utility billing site was not working properly. Mr. Woodring confirmed that RWC checked the utility billing site following receipt of the email and confirmed that the site was and is accessible and operable. Ms. Woodring said RWC received other similar customer calls during the same time period and said RWC will continue to investigate reports of online utility billing site errors.

EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES

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

MINUTES

The Board considered approving the minutes of the September 24, 2018, special meeting. Following review and discussion, Director Kerr moved to approve the meeting minutes for the September 24, 2018, special meeting. Director Smith seconded the motion, which passed unanimously.

REPORT FROM STORM WATER SOLUTIONS

Ms. Sears reviewed a Drainage Facilities Report, a copy of which is attached to these minutes, and updated the Board regarding general maintenance, previously approved repairs and permitting.

Ms. Sears reported erosion in the Bridgewater Meadows detention pond and said SWS will bring a proposal for repairs to the November, 2018 special meeting.

As a follow up to Board inquiry at the September special meeting, Ms. Sears next reported that the District spends between \$1,200 and \$1,500 annually to remove debris from District detention facilities. Discussion ensued regarding options to restrict vehicle access from the right-of-way adjacent to the Bridgewater Meadow detention facility.

Following review and discussion, Director Smith moved to approve the Drainage Facilities Report. The motion was seconded by Director Elms and carried unanimously.

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

Mr. Cooke reviewed a Parks Management Report, a copy of which is attached to these minutes, and reported on maintenance and repair work previously approved and underway or completed, including landscape maintenance, irrigation inspection and emergency items repaired at Directors Park and Bundy Lake Park under \$500; District detention ponds; District common areas; and the District Administration Building.

Mr. Cooke discussed previously approved maintenance and repair work at Director's Park, maintenance and repair previously approved and underway or completed, and reviewed the following proposals:

1. proposal from Four Palms in the amount of \$1,063.75 to pressure wash the Administration Building columns and sidewalks and touch up paint on the window shutters; and
2. proposal from Four Palms in the amount of \$287.50 to remove 2 security entry posts.

Mr. Cooke next updated the Board regarding previously approved maintenance and repair work at Bundy Lake Park, and reported on maintenance and repair previously approved and underway or completed, including repair of lighting in the Bundy Lake Park parking lot and gazebo and grading and sodding to eliminate standing water in low areas near the monument plaza.

Mr. Cooke reported on the status of fencing improvements proposed as part of the Bundy Lake Park Enhancements and resident responses and comments regarding fencing panels already installed. Mr. Cooke noted that some fencing panels in the parking lot and on Mason Road will require adjustment to match the fencing height of adjacent panels. Discussion ensued regarding optional removal of existing fencing on private property of affected homeowners and authorizations necessary to enter private property for fencing removal. Additional discussion ensued regarding inquiries from 2 homeowners requesting to install 4' or 6' fencing panels instead of the panels previously approved at the September special meeting as part of contract quantity adjustment no. 1 increasing the contract price by \$15,200 to adjust the height of fencing to match originally installed fence heights. Following discussion, Director Thornhill moved to allow the 2 affected residents the option to match the height of the fencing panels to be installed to the height of the panels being removed. Director Kerr seconded the motion which resulted in a tied vote with Directors Thornhill and Kerr voting in favor of the motion and Directors Elms and Smith voting against the motion. The motion failed for lack of a majority.

Mr. Fletcher said MSA installed a new timer on the fountain at the Morton Ranch detention pond to address previously reported issues with the fountain/lighting timer. Director Thornhill requested that MSA make additional adjustments noting that the fountains/lights are still not cycling correctly.

Mr. Cooke reviewed plans for Bundy Lake Enhancements, Phase 2 ("Phase 2") and said additional adjustments will be made and revised plans returned to the Board at the next special meeting. Discussion ensued regarding issues with the Bundy Lake Park bridge and possibly making repairs/upgrades to the bridge as part of Phase 2.

Following review and discussion, Director Smith moved to (1) approve the Parks Management Report; and (2) approve a proposal from Four Palms in the amount of \$1,063.75 to pressure wash the Administration Building columns and sidewalks and touch up paint on the window shutters. The motion was seconded by Director Kerr and passed unanimously.

Mr. Cooke also updated the Board regarding the District's application to the Federal Emergency Management Agency ("FEMA") for reimbursement of Hurricane Harvey damage and expenses.

OPERATION OF DISTRICT FACILITIES

Mr. Woodring reviewed a high volume water users report for the month of September, 2018 and said leaks identified during analysis of high volume users are shared with the affected customer.

Mr. Woodring requested authorization to repair or replace blower no. 4 at the wastewater treatment plant. He estimated a cost of \$42,000 to replace the blower and motor with a new unit, \$31,400 to replace the blower only and \$10,100 to repair the blower only. Discussion ensued regarding rehabilitation included in the 2019 Capital Improvement Plan. Following discussion, Director Smith moved to approve repair of the blower for an amount not to exceed \$10,100. The motion was seconded by Director Thornhill and passed by a vote of 3 to 0, with Director Elms abstaining from voting.

ENGINEERING MATTERS

Ms. Efaw and Mr. Barr updated the Board regarding projected completion dates for improvements at water plant no. 1.

Ms. Carner updated the Board regarding recording of easements necessary for Compass Land Development's ("Compass") plan approval for future development of a 14.288 acre tract, for which annexation currently is under review by the City of Houston (the "City"). Ms. Carner next reviewed a draft Development Financing Agreement between the District and Compass and a utility capacity commitment to Compass, subject to consent from Mason-Morton Ranch, LLC ("Mason-Morton") to reallocate capacity previously committed to Mason-Morton for use by Compass. Ms. Carner then reviewed an amended utility capacity commitment to Mason-Morton reducing capacity available for development of its tract. Ms. Efaw requested that the Board approve design and authorize advertisement for bids for construction of facilities to serve the Compass tract.

Ms. Carner next reviewed a utility capacity commitment to Continental Superior Management.

Following review and discussion, Director Smith moved to (1) approve a Development Financing Agreement between the District and Compass; (2) approve a utility capacity commitment to Compass, subject to consent from Mason-Morton; (3) approve an amended utility capacity commitment to Mason-Morton; (4) approve design of facilities to serve the Compass tract and authorize BGE to advertise for bids for

construction; and (5) approve a utility capacity commitment to Continental Superior Management. The motion was seconded by Director Elms and passed unanimously.

RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR USE OF SURPLUS FUNDS

Discussion ensued regarding reimbursement due to Bridgewater Meadow IV, Ltd. ("BMIV") for utilities to serve Bridgewater Meadow, Section 4. Following review and discussion, Director Kerr moved to approve a Resolution Authorizing Application to the Texas Commission on Environmental Quality ("TCEQ") for Use of Surplus Funds. The motion was seconded by Director Thornhill and passed unanimously.

AUTHORIZE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

In connection with proposed reimbursement to BMIV discussed above, Director Smith moved to authorize the District auditor to prepare a developer reimbursement report. The motion was seconded by Director Kerr and passed unanimously.

WEBSITE AND ELECTRONIC COMMUNICATION MATTERS

There was no additional discussion for this agenda item.

ACTION LIST

The Board reviewed and discussed items removed and added to the Action List.

AGENDA FOR OCTOBER 2018 REGULAR MEETING

The Board confirmed its regular meeting on November 12, 2018 and a special meeting on November 26, 2018 and discussed agenda items for the regular meeting.

DIRECTORS AND DISTRICT CONSULTANTS' REPORTS ABOUT DISTRICT OPERATIONS

The Board discussed upcoming events hosted by the Association of Water Board Directors and the West Harris County Regional Water Authority.

HOLIDAY IN THE PARK

Ms. Woodring updated the Board regarding preparation for the District's annual Holiday in the Park.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:23 p.m. Director Kerr seconded the motion, which passed unanimously.


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

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