

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

November 12, 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 12<sup>th</sup> day of November, 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 Gaspar of the Harris County Sheriff's Office; Esther Flores of Tax Tech, Inc.; Steve Woodring, Scott Barr and Ginny Woodring of Regional Water Corporation ("RWC"); Nick Cooke of Mike Stone Associates ("MSA"); Nino Corbett of Compass Land Development; Bryan Jackson, Tiffany Bailey, Willie Bailey, and Mike Thornhill, District residents; Tracey Scott of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); and Katie Carner and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

Director Thornhill called the meeting to order at 6:02 p.m.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Woodring updated the Board regarding emails received through the District website and said there were none requiring a Board response.

Ms. Bailey commented regarding a backcharge on her utility account for a transfer application fee in the amount of \$140.30 and a notice of termination tag charge in the amount of \$35 and said she is disputing the charges because she was not properly informed when she contacted RWC. Ms. Woodring said she would pull the customer service call log and follow up with the Board at the next meeting.

Mr. Jackson inquired about upcoming District projects and the District's needs for third party inspection services.

Mr. Corbett thanked the Board for moving forward on approvals necessary to move forward with plan approvals for his property pending annexation into the District.

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 6:15 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 6:22 p.m., the Board reconvened in Open Session.

MINUTES

The Board concurred to defer approval of minutes for the October 8, 2018 regular meeting until the November 26, 2018 special meeting.

GARBAGE COLLECTION AND RECYCLING

The Board discussed service issues generally, including trash cans left in the street. Director Kerr said she would follow up with Best Trash.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Flores reviewed the monthly tax assessor/collector's report, including an update on 2017 and 2018 taxes collected as of October 31, 2018. After review and discussion, Director Thornhill 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 inclusion of a message in the utility billing and a website post notifying residents that tax bills for 2018 have been mailed. Director Kerr 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 reported on the status of fencing improvements proposed as part of the Bundy Lake Park Enhancements, including the status of securing right-of-entry documents from affected residents, and discussed responses from residents who previously requested to install 4' or 6' fencing panels instead of the panels approved at the September special meeting. Discussion ensued regarding Pay Application No. 1 in

the amount of \$119,497.91 payable to Four Seasons Development Company, and the Board concurred to defer approval pending revision of the pay estimate to withhold retainage, as discussed, and specified in the construction contract.

Ms. Cooke next discussed plans for Bundy Lake Park Improvements, Phase 2 and reviewed a proposal from Ninyo & Moore in the amount of \$9,800 for geotechnical surveying services associated with design of walkout areas over Bundy Lake included in Phase 2.

Discussion ensued regarding issues with holiday décor lighting installed by Spark Lighting and the Board concurred to hold Check No. 10692 payable to Spark Lighting until the lights are repaired.

Following review and discussion, Director Smith moved to approve Ninyo & Moore's proposal in the amount of \$9,800. Director DuBois seconded the motion, which 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 DuBois seconded the motion, which carried unanimously.

#### ANNUAL REVIEW OF INVESTMENT POLICY AND AUTHORIZED DEPOSITORY INSTITUTIONS AND QUALIFIED BROKER/DEALERS

Ms. Carner discussed the requirements of the Public Funds Investment Act and the Public Funds Collateral Act in connection with the District's investments. She reviewed the current investment policy dated November 13, 2017. After review and discussion, Director Kerr moved to adopt the Resolution Regarding Annual Review of Investment Policy. Director Elms seconded the motion, which carried unanimously.

The Board then reviewed an updated list of the District's qualified broker/dealers. After review and discussion, Director DuBois moved to adopt a Resolution Establishing the Authorized Depository Institution and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. Director Kerr 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, including an update on fall fire hydrant flushing and status of installation of cellular service at water plant no. 1.

Mr. Woodring updated the Board regarding the status of additional payment options for customers through BBVA Compass Bank. Discussion ensued regarding customer complaints regarding credit card payment processing issues.

Mr. Woodring reported regarding the high volume water users report for the month of October, 2018, pumpage numbers for October, 2018, and current water and wastewater capacity.

Mr. Woodring next discussed an alleged violation notice from the Texas Commission on Environmental Quality ("TCEQ") for water plant no. 2 and said BGE responded to the TCEQ with photos showing that the ground storage tanks were built as designed. Ms. Efav said there is a leaking check valve at water plant no. 2 that will need to be reported, but that repair will be deferred pending completion of water plant no. 1 improvements.

Following review and discussion, Director Smith moved to 1) approve the operator's report, and 2) direct RWC to put the fees on hold for Ms. Bailey's account, pending results of RWC's investigation into the account history. 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 Gus Rodriguez, Chantell Hatton and Alicia Moorehead, and that further taps be withheld from HistoryMaker Homes, Royce Builders, Trophy Homes, Vestalia Homes, Censeo Homes and Colina Homes until back-charges are paid. The motion was seconded by Director Elms 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 first discussed the status of construction at water plant no. 1 and recommended the Board approve Pay Estimate No. 20 in the amount of \$50,130, payable to Long & Sons, Inc. and an in the amount of \$1,712, payable to Tolunay-Wong Engineers, Inc. for materials testing.

Ms. Efaw next discussed the status of installation of lift station generators and recommended that the Board approve Pay Estimate No. 2 and Final in the amount of \$138,960, payable to McDonald Municipal and Industrial. She then recommended that the Board accept the project.

Ms. Carner reviewed and the Board considered acceptance of a Consent to Use Encroachment Area for the benefit of Transcontinental Gas Pipeline Company, LLC.

Ms. Efaw discussed a proposal from Storm Water Solutions, LLC in the amount of \$2,500 for annual maintenance and permitting of the storm water quality permit at the wastewater treatment plant.

Following review and discussion, Director Elms moved to approve the engineer's report and, based on the engineer's recommendation to; (1) approve Pay Estimate No. 20 in the amount of \$50,130, payable to Long & Sons, Inc.; (2) approve payment of an invoice in the amount of \$1,712, payable to Tolunay-Wong Engineers, Inc.; (3) approve Pay Estimate No. 2 and Final in the amount of \$138,960, payable to McDonald Municipal and Industrial, accept the project and authorize addition of the completed lift station generators to the District's insurance policy; (4) approve a Consent to Use Encroachment Area Agreement; and (5) approve a proposal from SWS in the amount of \$2,500 for annual maintenance and permitting of the storm water quality feature at the wastewater treatment plan. Director Smith seconded the motion, which passed unanimously.

## DISTRICT WEBSITE AND ELECTRONIC COMMUNICATION MATTERS

Director Elms reported on the number of email and text subscribers for emergency notifications and mass messaging through the District's website.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

The Board discussed upcoming events hosted by the Association of Water Board Directors ("AWBD") and the West Harris County Regional Water Authority ("WHCRWA").

HOLIDAY IN THE PARK

The Board discussed preparation and budgets for the District's annual Holiday in the Park on December 15, 2018, from 4:00 p.m. to 6:00 p.m.

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 November 26, 2018 special meeting.

The Board received a copy of the District's media information kit and discussed updating the document, but concurred to defer approval pending Board review.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:28 p.m. Director DuBois seconded the motion, which passed unanimously.

  
Secretary Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
tax assessor/collector's report .....	2
bookkeeper's report.....	3
investment report .....	3
operator's report .....	3
engineer's report .....	5