

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

December 10, 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 10<sup>th</sup> day of December, 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 Arlen Wassinger, Tonya Wassinger, Carmen Quintero and Maria Quintero, District residents; Deputy Steve Arhelger and Deputy Jesus Gaspar of the Harris County Sheriff's Office; Avik Bonnerjee of B&A Municipal Tax Service, LLC; Laura Flores of Tax Tech, Inc.; Steve Woodring, Scott Barr and Ginny Woodring of Regional Water Corporation ("RWC"); Nick Cooke and John Fletcher of Mike Stone Associates ("MSA"); Tracey Scott of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); Oscar Fumero of Storm Water Solutions, LP; 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. Quintero commented regarding issues with Ms. Quintero's timely receipt of her utility bill payments and said mailed the payment on time, ut RWC was still imposing late fees on her account. Mr. Quintero said that when he contacted RWC to inquire regarding late delivery of Ms. Quintero's utility bill payment, he was informed by the customer service representative who answered the phone that automated pay services were not available. Mr. Woodring stated that is not correct and that automated pay services are available. Mr. Quintero then commented that when Ms. Quintero called, no bilingual customer service representative was available to assist her. He added that the customer service representative who answered Ms. Quintero's call was impolite. Following the Quinteros' comments, the Board concurred to request that RWC pull the customer service phone log and place Ms. Quintero's account on hold pending additional investigation.

Mr. Wassinger commented regarding newly installed fence panels on his property at the District property line and said the posts are over 7' tall and that the panels and posts do not align and block his view to the lake. He requested that the new fence height match the height of the existing wrought iron fence on his property. He also commented that he believes the new fence is unstable and aesthetically unappealing.

Mr. Woodring updated the Board regarding emails received through the District website and said there were none requiring a Board response. He also updated the Board regarding a previously reported potential water theft and said the water actually was used properly pursuant to an authorized temporary meter, which has since been returned.

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 6:16 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 and Deputy Gaspar. Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:46 p.m., the Board reconvened in Open Session.

MINUTES

The Board considered approving the minutes of the October 8, 2018, regular meeting. Following review and discussion, Director Kerr moved to approve the meeting minutes for the October 8, 2018, regular meeting, as amended. Director Smith seconded the motion, which passed by a vote of 4 to 0, with Director Thornhill abstaining from voting.

The Board considered approving the minutes of the November 12, 2018, regular meeting. Following review and discussion, Director Kerr moved to approve the meeting minutes for the November 12, 2018, regular meeting. Director Smith seconded the motion, which passed unanimously.

The Board considered approving the minutes of the November 26, 2018, special meeting. Following review and discussion, Director Kerr moved to approve the meeting minutes for the November 26, 2018, special meeting. Director Elms seconded the motion, which passed by a vote of 4 to 0, with Director Smith abstaining from voting.

## GARBAGE COLLECTION AND RECYCLING

There was no discussion for this agenda item.

## 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 November 30, 2018. 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.

## SALES TAX AUDIT REPORT

Mr. Bonnerjee reviewed a 2018 sales tax permit audit report and confirmed that an annual update of accounts has been provided to the City of Houston.

## TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

The Board discussed the number of fees of office, meals, and maximum nights' hotel accommodations for the Association of Water Board Directors ("AWBD") winter conference. Following discussion, Director Elms moved to authorize a maximum of: (1) two nights of hotel accommodations; (2) three days of director fees of office; (3) a daily meal expense not to exceed \$50.00; and (4) an advance for conference expenses in the amount of \$750 for each Director attending the AWBD winter conference. Director DuBois seconded the motion, which carried by unanimous vote.

## REPORT FROM STORM WATER SOLUTIONS

Mr. Fumero 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. He updated the Board regarding the status of previously approved erosion repair in the Bridgewater Meadows detention pond.

Mr. Fumero discussed options for controlling unauthorized access to the Bridgewater Meadows detention pond and reported additional dumping of debris in the area. Following discussion, the Board concurred to continue to monitor the area.

Following review and discussion, Director Smith moved to approve the Drainage Facilities Report. The motion was seconded by Director DuBois 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 Directors Park, and maintenance and repair underway or completed and presented the following proposals for the Board's review:

1. proposal to replace the water service riser on the west side of the building in the amount of \$910.46; and
2. proposal to repair the urinal water inlet piping in the men's restroom in the amount of \$685.52.

Mr. Cooke said the proposal to repair the water service riser does not include an estimated additional \$500 worth of necessary sheetrock repair.

Following review and discussion, Director Smith moved to approve both proposals listed above, and to authorize MSA to make the additional sheetrock repair necessary for an amount not to exceed \$500. The motion was seconded by Director Kerr and passed unanimously.

Mr. Cooke next updated the Board regarding previously approved maintenance and repair work at Bundy Lake Park, and maintenance and repair underway or completed, including monument holiday lighting, broken and removed bollards around the plaza circle and synchronization of fountain timers.

Mr. Cooke reported on the status of fencing improvements proposed as part of the Bundy Lake Park Enhancements and updated the Board regarding ongoing discussions and meetings with the fencing contractor to address project quality issues noted by MSA during inspection. He also provided an update regarding ongoing regrading work along the height of the western fence line of Bundy Lake Park. Discussion ensued regarding earlier comments by Mr. Wassinger regarding sturdiness of the installed fencing. Following discussion, Director Thornhill requested that Mr. Cooke look into options to further stabilize the fencing panels.

Discussion ensued regarding the Board's previous approval of installation of 6' fence panels and additional resident inquiries requesting an option for affected residents to replace current 4' fencing with new 4' fencing panels. Director Thornhill moved to allow affected residents with existing 4' fencing the option to replace the fence with new 4' fence panels. Discussion ensued regarding residents who currently have 4' fencing, but may prefer 6' fencing. Following discussion, Director Thornhill moved to amend her motion to install new fencing as it was originally installed. Director Kerr seconded the motion. The motion passed by a vote of 3 to 1, with Director Elms voting against the motion and Director Smith abstaining from voting. Mr. Cooke said he will bring pricing to the January, 2019 meeting to modify the installed fencing, as discussed.

Mr. Cooke also presented and recommended the Board approve Pay Estimate No. 1 in the amount of \$109,986.93 and Pay Estimate No. 2 in the amount of \$34,662.52, both payable to Four Seasons Development Co. Following review and discussion, and based on MSA's recommendation, Director Smith moved to approve both pay estimates. The motion was seconded by Director Elms and passed unanimously.

Mr. Cooke updated the Board regarding funds received from the Federal Emergency Management Agency ("FEMA") and pending project and funding approvals.

#### 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 DuBois moved to approve the bookkeeper's report, as corrected, and investment report. Director Thornhill 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. Additional discussion ensued regarding emails received through the District website, including a loose dog report. Following discussion, the Board concurred to authorize posting of Harris County Animal Control contacts for reporting loose dogs/ animals to Harris County.

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 November, 2018, pumpage numbers for November, 2018, and current water and wastewater capacity.

Mr. Woodring discussed repair and maintenance of District facilities, including repair of a leaking fire hydrant at 21302 Banks Run for an actual cost of \$1,325.

Mr. Woodring next discussed replacing the programmable logic controller ("PLC") at water plant no. 2 for an estimated amount not to exceed \$40,000. Following review and discussion, Director Kerr moved to authorize replacement of the PLC for an amount not to exceed \$40,000. Director Elms seconded the motion, which passed unanimously.

Mr. Woodring then requested authorization to perform preventative maintenance of the influent screen at the wastewater treatment plant for an estimated amount of \$8,100. Following review and discussion, Director Kerr moved to approve the proposed scope of work for an amount not to exceed \$8,100. The motion was seconded by Director Elms and passed unanimously.

Mr. Woodring presented a leak adjustment request from customer, Janelle Smith, requesting a leak adjustment credit for September and October, 2018 water bills for unexplained higher than normal water usage. Following review of the information provided by the customer and the District operator, the Board determined that the customer did not meet the requirements of the District's leak adjustment policy. Director Kerr then moved to deny Ms. Smith's request. The motion was seconded by Director Thornhill and passed unanimously. Director Elms requested that RWC investigate Ms. Smith's complaint regarding RWC's customer service representative hanging up on her.

Ms. Woodring updated the Board regarding investigation of customer Tiffany Bailey's account and Ms. Bailey's dispute regarding backcharges 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. Following review of the information provided by the customer and the District operator, Director Smith moved to deny the appeal and authorize the District operator to offer Ms. Bailey a payment plan. The motion was seconded by Director Elms and passed unanimously.

Following review and discussion, Director Smith moved to approve the operator's report. 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 and said customer Alicia Moorehead is no longer current and compliant with the payment plan previously authorized by the Board and subject to termination.

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 Gus Rodriguez, Chantell Hatton and Maria Quintero, 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. Efav 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. Efav first discussed the status of construction at water plant no. 1 and recommended the Board approve Pay Estimate No. 21 in the amount of \$55,530, payable to Long & Sons, Inc.

Following review and discussion, Director Elms moved to (1) approve the engineer's report; and (2) based on the engineer's recommendation, approve Pay Estimate No. 21 in the amount of \$55,530, payable to Long & Sons, Inc. Director Thornhill seconded the motion, which passed unanimously.

Ms. Carner updated the Board on annexation of a 14.28-acre tract of land into the District. Ms. Carner then presented an Order Adding Land for a total of 14.28 acres to the District. She reported that the City of Houston had adopted an ordinance consenting to the annexation. Ms. Carner also presented an Amendment to the District's Information Form, reflecting the District's addition of land to the District. She also reviewed a Waiver of Special Appraisal from Compass Land Development agreeing to waive its right to claim any of the tax exemptions with respect to the annexed property for 30 years. After discussion, Director Elms moved to (1) adopt the

Order Adding Land; (2) approve the Amendment to Information Form and authorize ABHR to file the amendment with the Texas Commission on Environmental Quality and in the Harris County Real Property Records; and (3) accept a Waiver of Special Appraisal from Compass Land Development, LLC. 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. The Board concurred to defer discussion regarding review of the "Frequently Asked Questions ("FAQ")" page content on the District website and review of the District media information kit until January, 2019. The Board also concurred to authorize website posting of trash/recycling schedules for the 2018 holiday season.

#### DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

The Board discussed upcoming events and meetings hosted by the Association of Water Board Directors ("AWBD") and the West Harris County Regional Water Authority ("WHCRWA"). Director Smith moved to authorize any interested Board member to attend all future WHCRWA events and meetings. Director Elms seconded the motion, which passed unanimously.

Director Thornhill requested authorization to work with ABHR to review current consultant contracts to confirm that all contracts are up to date and that proof of insurance on file with the District for the consultant's contracts are compliant with contractual requirements. Following discussion, Director Thornhill moved to authorize review of consultant contracts and insurance, as discussed. Director DuBois seconded the motion, which passed by a vote of 4 to 0, with Director Smith abstaining from voting.

#### HOLIDAY IN THE PARK

The Board discussed preparation 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 January, 2019 regular meeting.



Ms. Carner said the District is required to report to the Texas State Comptroller not later than February 1st of each year whether any condemnation matters occurred during the calendar year. Ms. Carner confirmed ABHR filed the report on behalf of the District on November 8, 2018.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS (CONT'D)

Director Smith said he is moving out of the District and submitted his resignation effective on December 17, 2018. The Board thanked Director Smith for his service and concurred to place an item on the January 2019 regular meeting agenda to accept Director Smith's resignation and discuss appointment procedures

Discussion ensued regarding lowering of flags at Bundy Lake Park.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 9:02 p.m. Director DuBois seconded the motion, which passed unanimously.



*Mary DuBois*

Secretary, Board of Directors

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