

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

February 11, 2019

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 11th day of February, 2019, 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
Vacant	Assistant Vice President
Jennifer Elms	Assistant Secretary

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

Also present were Mike Thornhill, Trennan Gamble and Lindsay Boyd, District residents; Huguette Abrunhosa of EHRA Engineering; Kareem Gamal of Gamal Enterprises; Deputy Steve Arhelger and Deputy Jesus 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"); Adam Kupstas of Aurous Development Services, Ltd.; Nick Cooke of Mike Stone Associates ("MSA"); 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 6:00 p.m.

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. Ms. Carner and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:47 p.m., the Board reconvened in Open Session.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Gamble commented regarding recent water discoloration in Bridgewater Meadows. Mr. Woodring said the discoloration is due to the recent startup of the water plant on Elrod Road. Mr. Gamble also commented regarding recent increases in his water bills and issues with late fees charged even though payments were made timely. Ms. Woodring said she would follow up with Mr. Gamble, research his account and claims and report back to the Board. Mr. Gamble also said the Bridgewater Homeowner's Association is receiving complaints from residents regarding the appearance of the new fence being installed around Bundy Lake Park. Discussion ensued regarding the history of the original fence installation, the fence design choice and past and future maintenance of the perimeter fence.

Ms. Boyd commented regarding the monument sign at Bundy Lake Park and said she did not like the appearance of the sign.

Ms. Abrunhosa and Mr. Gamal discussed a proposed multifamily development at the intersection of Mason Road and Bridgewater Village and requested additional sanitary sewer capacity. Director Thornhill stated the request would be addressed under the engineer's report.

Ms. Woodring presented an appeal from customer, Laria Yurien requesting that the Board consider waiving a returned check fee because her bank account was compromised. She stated the customer paid timely by other means, but did not have sufficient time to cancel the automatic payment for her compromised account. Director Thornhill stated the request would be addressed under the operator's report.

Mr. Woodring updated the Board regarding emails received through the District website, including a solicitation for duck population control. The Board concurred to request that Mr. Woodring forward the solicitation to MSA for follow up.

MINUTES

The Board considered approving the minutes of the January 14, 2019, regular meeting. Following review and discussion, Director Elms moved to approve the meeting minutes for the January 14, 2019, regular meeting, as submitted. Director DuBois seconded the motion, which passed unanimously.

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 January 31, 2019. 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

DuBois seconded the motion, which carried unanimously. A copy of the tax assessor/collector's report is attached.

GARBAGE COLLECTION AND RECYCLING

The Board received a garbage and recycling tonnage collection report, but concurred to defer discussion until the March, 2019 Board meeting.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

Mr. Cooke presented plans for Bundy Lake Park Improvements, Phase 2. Mr. Cooke noted design comments made by the Board and said he would bring alternate design options to the February 25, 2019, special Board meeting.

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

Ms. Scott stated that she has reviewed the eligible expenses and all directors who attended the AWBD winter conference were in compliance with the District's Travel Reimbursement Guidelines. Following review and discussion, Director Thornhill moved to authorize reimbursement of eligible expenses and authorize attendance at the AWBD summer conference for any director who would like to participate. Director Elms seconded the motion, which was approved by unanimous vote.

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. Ms. Scott also reviewed draft budgets for the fiscal year ending March 31, 2020. After review and discussion, Director DuBois moved to (1) approve the bookkeeper's report and investment report; and (2) authorize the District bookkeeper to send a revised draft joint facilities budget to Harris County Municipal Utility District No. 287 with revisions submitted by the District operator. Director Elms seconded the motion, which carried unanimously.

ENGINEERING MATTERS

Ms. Efaw presented the attached engineer's report and updated the Board regarding engineering matters and the status of current construction projects more specifically described in the report.

The Board discussed the status of and issues regarding the construction at water plant no. 1. Ms. Efaw reported that the contractor is addressing punch list items and discussion ensued regarding pending issues to address at final payment.

Ms. Efaw discussed a request from the surveyor for the West Harris County Regional Water Authority to access the proposed site for the future surface water interconnect to Water Plant No. 2. Discussion ensued regarding schedules for delivery of surface water to the District and current emergency interconnects.

Ms. Efaw said the District's application for use of surplus funds for the utilities to serve Bridgewater Meadows, Section 4 was approved by the Texas Commission on Environmental Quality. She said inspection of facilities is pending.

Discussion ensued regarding previous Bundy Lake Park boundary surveys.

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

Discussion ensued regarding Mr. Gamal's request for capacity to serve a proposed multifamily development. Mr. Gamal confirmed that the developer will pay for a feasibility report and would consider prefinancing any wastewater treatment plant expansion necessary to serve the tract. Following review and discussion, Director Kerr moved to authorize BGE to conduct a feasibility study, subject to receipt of a developer deposit in the amount of \$10,000. Director DuBois seconded the motion, which passed by a vote of 3 to 0, with Director Elms abstaining from voting.

OPERATION OF DISTRICT FACILITIES

The Board discussed a request from Ella and Reginal Anderson requesting a refund a portion of the fee for rental of the District Administration Building due to issues with the refrigerator not cooling properly. Following review and discussion, Director Thornhill moved to approve a refund of one half of the rental fee. Director Elms seconded the motion, which passed unanimously.

The Board next considered Ms. Yurien's appeal. Following review and discussion, Director Kerr moved to refund a returned check fee to Ms. Yurien. The motion was seconded by Director Elms and passed unanimously.

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 updated the Board regarding the status of additional payment options for customers through BBVA Compass Bank.

Mr. Woodring reported regarding the high volume water users report for the month of February, 2019, pumpage numbers for January, 2019, and current water and wastewater capacity.

Following review and discussion, Director DuBois moved to approve the operator's report. The motion, which was seconded by Director Kerr, 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 DuBois moved to authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of Tiffany Bailey and Manuel Perez, and that further taps be withheld from 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.

RESOLUTION APPROVING SUBMITTAL OF THE WATER SMART APPLICATION

Mr. Woodring presented and reviewed a Resolution Approving Submittal of the Water Smart Application ("Resolution"). Following discussion and review, Director Kerr moved to approve the Resolution and authorize the District's operator to submit the Resolution and all necessary information for the District's Water Smart application. Director DuBois 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. Discussion ensued regarding review and update of information on District website and removal of out-of-date information.

The Board reviewed a list of consultant contracts and recommendations regarding updating contracts. Following discussion, Director Kerr moved to authorize review and update of contracts from 2013 to the present and to enter into new contracts

for those from before 2013. Director Thornhill seconded the motion, which passed unanimously.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

Discussion ensued regarding policies and procedures for receiving public comment.

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 February, 2019 special meeting.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 9:03 p.m. Director Elms seconded the motion, which passed unanimously.

Mary DeBeis

Secretary, Board of Directors



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