

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

March 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 March, 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 Michael Williams, Arlyn Wassinger, Tonya Wassinger, Vicki Sinay and Koorosh Vafadari, District residents; Deputy Steve Arhelger of the Harris County Sheriff's Office; Esther Flores of Tax Tech, Inc.; James Woodring of Regional Water Corporation ("RWC"); Lori Buckner of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); and Katie Carner, Ashley Arvie, and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

Director Thornhill called the meeting to order at 6:00 p.m.

DIRECTOR MATTERS

The Board discussed appointment procedures for the seat vacated by Phillip Smith, and applications received in connection with same.

Director Kerr then moved to appoint District resident, Michael Williams, to fill the Board position vacated by Phillip Smith. Director DuBois seconded the motion, which passed unanimously.

The Board next considered approving the Sworn Statement, Oath of Office, and Official Bond required in conjunction with the appointment of Michael Williams to the Board position vacated by Phillip Smith. Director Thornhill moved to approve the Sworn Statement, Oath of Office, and Official Bond for Michael Williams; direct that the Oath of Office be filed with the Secretary of State; and direct that the Sworn Statement, Oath of Office, and Official Bond be filed and retained in the District's official records. Director Elms seconded the motion, which passed unanimously.

The Board next considered reorganization of the Board. Upon a motion by Director Thornhill and a second by Director Elms, the Board voted unanimously that Director Williams assume the position of Assistant Vice President until the special meeting and to authorize execution and submission of the District Registration Form to the Texas Commission on Environmental Quality to reflect the appointment and position of Director Williams.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS AND CONFLICT OF INTEREST DISCLOSURE

Ms. Carner provided Director Williams with information regarding Open Meetings Act and Public Information Act training.

Ms. Carner reviewed a Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission, a copy of which is attached. Ms. Carner stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. Ms. Carner discussed updating List of Local Government Officers adding Director Williams. After review and discussion, Director Thornhill moved to approve and authorize execution of the updated List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Elms seconded the motion, which passed by unanimous vote.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Wassinger asked if there was an update regarding a survey to confirm that fence installation at Bundy Lake Park is on the District's property. He also asked about the placement of survey stakes on his and other homeowner lots in Lakes of Bridgewater, Section 6 and asked when the areas excavated to lower installed fencing would be backfilled and re-sodded.

Mr. Woodring updated the Board regarding emails received through the District website, none of which required Board action.

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 6:10 p.m., the Board met in executive session to deliberate the deployment or specific occasions for implementation of security personnel or devices. Deputy Arhelger, Ms. Carner, Ms. Miller and Ms. Arvie also were present.

RE-CONVENE IN OPEN SESSION, SECURITY REPORT

At 6:37 p.m., the Board reconvened in Open Session. No action was taken by the Board.

MINUTES

The Board considered approving the minutes of the February 11, 2019, regular meeting. Following review and discussion, Director Kerr moved to approve the meeting minutes for the February 11, 2019, regular meeting, as submitted. Director DuBois seconded the motion, which passed unanimously.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

Director Thornhill said BGE will conduct a survey to confirm the placement of the new fencing once MSA confirms the contractor has completed all punch list items. Discussion ensued between the Board and Mr. and Mrs. Wassinger regarding survey stakes in the Lakes at Bridgewater, Section 6, the status of completing punch list items, placement of the park entrance at the Haverbay Court cul de sac, the status of locating past surveys of the District's property at Bundy Lake Park and the status of locating information regarding the original fence installation at Lakes of Bridgewater, Section 6. Ms. Wassinger also requested the status of replacement of signage in Bundy Lake Park. Following discussion, Director Kerr moved to authorize ABHR to research records to locate information regarding the original fence installations in Bundy Lake Park at Lakes of Bridgewater, Section 6. Director Thornhill seconded the motion, which passed by a vote of 4 to 0, with Director Elms abstaining from voting.

Director Elms left the meeting.

GARBAGE COLLECTION AND RECYCLING

Director Kerr reviewed a garbage and recycling tonnage collection report.

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 February 28, 2019. After review and discussion, Director Thornhill 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 passed by a vote of 4 to 0, with Director Elms being absent at the time of voting. A copy of the tax assessor/collector's report is attached.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board next considered adopting a Resolution Concerning Exemptions from Taxation. Ms. Carner stated that last year the Board granted a \$20,000 exemption for residents 65 years of age or older or disabled persons, but rejected the general residential homestead exemption. Following review and discussion, Director Thornhill moved to adopt the Resolution Concerning Exemptions from Taxation for the 2019 tax year, reflecting no changes to the previous year's exemptions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director DuBois seconded the motion, which passed by a vote of 4 to 0, with Director Elms being absent at the time of voting.

AUDIT FOR FISCAL YEAR END MARCH 31, 2019

Ms. Carner discussed the District's audit for the fiscal year ending March 31, 2019 and reported that the District auditor has stated that the auditor's fee will be the same as last year. Following discussion, the Board concurred to authorize the auditor to conduct the audit for the fiscal year ending March 31, 2019.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Buckner reviewed a summary of the bookkeeper's report and investment report, copies of which are attached, and presented the bills for payment. Ms. Buckner also reviewed draft budgets for the fiscal year ending March 31, 2020. After review and discussion, Director Kerr moved to (1) approve the bookkeeper's report and investment report; (2) approve the District and joint facilities budgets for the fiscal year ending March 31, 2020; and (3) approve payment of invoices submitted, with the exception of checks made payable to Four Seasons Development Company and to Halff and Associates. Director Thornhill seconded the motion, which passed by a vote of 4 to 0, with Director Elms being absent at the time of voting.

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 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 February, 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 Williams, passed by a vote of 4 to 0, with Director Elms being absent at the time of voting.

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 Vicki Sinjay, who appeared to make payment arrangements, 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 DuBois and passed by a vote of 4 to 0, with Director Elms being absent at the time of voting.

REVIEW WATER CONSERVATION PLAN; APPROVE ANNUAL REPORT AND WATER CONSERVATION IMPLEMENTATION REPORT; ADOPT ORDER ADOPTING AMENDED AND RESTATED WATER CONSERVATION PLAN

The Board concurred to defer action.

ANNUAL WATER LOSS AUDIT

The Board concurred to defer action.

ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

The Board concurred to defer action.

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 a request from the Lakes at Mason Park Community Association regarding a Consent to Encroachment for installation of landscaping improvements adjacent to District facilities. Following review and discussion, Director Kerr moved to approve the Consent to Encroachment, subject to final review, and direct that the Consent be filed appropriately and retained in the District's official records. Director Thornhill seconded the motion, which passed by a vote of 3 to 0, with Director Williams abstaining from voting and Director Elms being absent at the time of voting.

Ms. Efaw reported that the developer deposit to cover the cost of a feasibility study associated with a request for capacity to serve a proposed multifamily development has not been received.

DISTRICT WEBSITE AND ELECTRONIC COMMUNICATION MATTERS

The Board concurred to defer discussion regarding review and update of information on District website to the March, 2019 special meeting. Director Thornhill requested that ABHR follow up with the District's website administrator regarding archiving out-of-date information by year.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

Director Thornhill requested that consultants bring extra copies of their reports to Board meetings.

ATTORNEY'S REPORT

The Board reviewed and revised the Action List and discussed and amended the status of the items listed.

Ms. Carner stated that, when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. Ms. Carner added that the provisions of that undertaking require that the District comply with certain continuing disclosure requirements for its bonds. Ms. Carner explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. Ms. Carner added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, the Board has previously adopted such procedures in writing. Ms. Carner stated that, because the United States Securities and Exchange Commission has amended its Rule 15c2-12, ABHR recommends that the District's written procedures be amended by the Board. Ms. Carner reviewed an Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director DuBois moved to adopt the Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance and direct that the Order be filed

appropriately and retained in the District's records. Director Williams seconded the motion, which passed by unanimous vote.

The Board discussed agenda items for the March, 2019 special meeting.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

Director Thornhill announced the Board would convene in executive session at 7:35 p.m. to conduct a private consultation with the District's attorney. Ms. Carner, Ms. Miller, and Ms. Arvie, also were present.

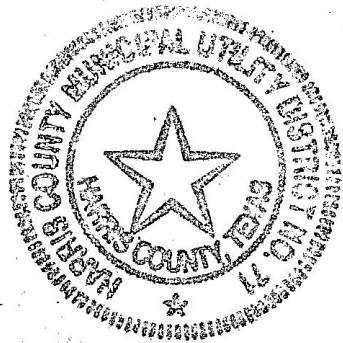
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in regular session at 7:41 p.m. No action was taken.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:42 p.m. Director DuBois seconded the motion, which passed unanimously.

Mary DuBois

Secretary, Board of Directors



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