

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

April 8, 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 8th day of April, 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:

Pam Kerr	President
Katrina Thornhill	Vice President
Mary DuBois	Secretary
Michael Williams	Assistant Vice President
Jennifer Elms	Assistant Secretary

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

Also present were Vernee Scurlock, Arlyn Wassinger and Tonya Wassinger, District residents; Charlie Long of Long & Son, Inc. ("Long & Son"); Deputy Steve Arhelger and Deputy Jesus Gaspar of the Harris County Sheriff's Office; Esther Flores of Tax Tech, Inc.; Steve Woodring, Ginny Woodring and Scott Barr of Regional Water Corporation ("RWC"); Tracy Scott of Myrtle Cruz, Inc. ("MCI"); Keli Schroeder of BGE, Inc. ("BGE"); and Katie Carner, Ashley Arvie, and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

Director Kerr 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; DISCUSS PURCHASE, EXCHANGE, LEASE OR VALUE OF REAL PROPERTY, PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE; AND CONSULT WITH ATTORNEY PURSUANT TO SECTION 551.71, TEXAS GOVERNMENT CODE

At 6:01 p.m. the Board met in executive session to (1) deliberate the deployment, or specific occasions for implementation of security personnel or devices; (2) discuss purchase, exchange, lease or value of real property in the District; and (3) consult with the District's attorney. Deputy Arhelger, Deputy Gaspar, Ms. Carner, Ms. Miller and Ms. Arvie also were present.

Deputies Arhelger and Gaspar left the meeting at 6:06 p.m.

RE-CONVENE IN OPEN SESSION

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

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Long commented regarding correspondence received from ABHR, on behalf of the District, dated April 4, 2019, a copy of which is attached to the engineer's report. The Board concurred to defer discussion until the engineering portion of the agenda.

Ms. Wassinger commented regarding recent drinking water quality concerns. She stated that she called the operator's office to report discoloration and to get additional information regarding water quality, but she had not received additional information regarding the causes of the issue. Ms. Wassinger then asked if the Board has made any final decisions regarding the final location of the Bundy Lake fencing near the cul-de-sacs. She also inquired regarding the design of cul-de-sac entrances.

Ms. Wassinger asked why there is a delay in posting of Board meeting minutes to the District's website. Director DuBois explained that the Board meeting minutes are posted after they are approved by the Board, which typically occurs at the next month's meeting.

Mr. Wassinger requested an update regarding relocation of previously installed fencing and entrances at Bundy Lake Park. Director Kerr stated Mike Stone Associates ("MSA") is scheduled to attend the District's April, 2019, special meeting and will present cost estimates for relocating fencing and entrances. Mr. Wassinger inquired about the timing of and costs for the design and construction of the fencing replacement and the trail improvements and decorative wall replacement. He also commented regarding customer service issues when calling the District's utility billing number and asked why signs prohibiting cameras and video recording are posted in the utility billing office.

Ms. Scurlock commented regarding a recent disconnection of her water service following payment of her utility bill at a Kroger payment location on the day of disconnections. She said that the customer service representative who answered the phone treated her poorly. Ms. Scurlock explained that she provided the customer service representative with the confirmation number from her payment receipt, but said that the customer service representative abruptly ended the call. She also stated she believes the District's website does not adequately explain the delay in processing third party payments and procedures for delinquent accounts. Ms. Scurlock then stated that many residents have expressed similar concerns on social media.

MINUTES

The Board considered approving the minutes of the March 11, 2019, regular meeting. Following review and discussion, Director DuBois moved to approve the meeting minutes for the March 11, 2019, regular meeting, as submitted. Director Williams 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 March 31, 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 unanimously. A copy of the tax assessor/collector's report is attached.

ENGINEERING MATTERS

Mr. Long responded to correspondence he received from ABHR, on behalf of the District, dated April 4, 2019. Mr. Long stated he objected to the calculation of the delay in completion on the project. Discussion ensued regarding the timing of completion of the project. Following discussion, Director Kerr requested BGE to investigate Mr. Long's claims and report back at the next meeting.

Ms. Schroeder reviewed and 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.

Ms. Schroeder stated that punch list items related to the water plant no. 1 and no. 2 improvements have been addressed.

Director Elms inquired about punch list items with R&B Group, Inc. ("R&B Group") for the wastewater treatment plant improvements. Ms. Schroeder reported that punch list items for wastewater treatment plant improvements are being addressed. After discussion, the Board requested BGE to prepare a letter concerning the projected completion date and potential disincentive fees for delays for review at the next regular meeting.

Discussion ensued regarding amending the District's Utility Commitment Letter ("UCL") with Fleetwood Church of Christ ("Fleetwood"), from 1.17 to 1.62 equivalent single family connections ("ESFC") to match Fleetwood's historical usage.

Discussion ensued regarding Harris County Flood Control District's ("HCFCFCD") request for Temporary Right-of-Entry ("ROE") to perform maintenance repairs along HCFCFCD Unit U101-08-00. Ms. Schroeder stated BGE reviewed the documentation and has no objection to the ROE. The Board concurred to request BGE and/or MSA to document the condition of the property prior to commencement of any proposed repairs.

Following review and discussion, Director Elms moved to (1) approve the engineer's report; (2) approve a revised UCL to Fleetwood, subject to final review; and (3) approve a Temporary Right-of-Entry for HCFCFCD. Director DuBois seconded the motion, which passed 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. Mr. Woodring updated the Board regarding the status of additional payment options for customers through BBVA Compass Bank.

Mr. Woodring presented and reviewed the high volume water users report for the month of March, 2019, pumpage numbers for March, 2019, and current water and wastewater capacity.

Discussion ensued regarding water quality issues reported earlier by Ms. Wassinger. Mr. Woodring said RWC received approximately six calls reporting a similar issue. He stated the water discoloration is likely caused by iron in the water following the completion of water plant no. 3, but it does not raise a health concern. He encouraged residents to continue to contact RWC to report discolored water and stated, in those instances, RWC personnel would perform flushing in the area until the water runs clear.

Discussion ensued regarding the District billing office on Jones Road. Mr. Woodring said the Jones Road building is operated by RWC and said the signage prohibiting cameras and video recordings is posted to comply with relevant laws regarding protection of the privacy of utility customers.

The Board discussed Ms. Scurlock's concerns regarding information on the District's website regarding posting third party payments and procedures for delinquent accounts. Discussion ensued regarding the District's Rate Order and information on the District's website. Ms. Woodring said she would reach out to Compass Bank to investigate the schedule for posting payments made at Kroger payment locations.

Director Kerr noted that telephone calls to RWC are recorded and the customer service concerns reported by Ms. Scurlock would be investigated further.

Director Williams expressed concern regarding the water accountability and asked what the District could do to improve accountability. Mr. Woodring suggested a meter replacement program for older meters. Discussion ensued regarding the cost of electronic meter equipment. Director Williams requested RWC to investigate electronic meter equipment further and report back next month.

Mr. Wassinger and Ms. Scurlock exited the Board meeting at 7:35 p.m.

IDENTITY THEFT PREVENTION PROGRAM

Mr. Woodring stated that the District's Identity Theft Prevention Program (the "Program") requires the operator to provide an annual written report evaluating the effectiveness of the Program, significant instances of identity theft detection and any recommendations regarding changes to the Program. He stated that the report indicates no significant incidents of identity theft detection and he recommends no changes to the Program.

HEARING ON TERMINATION OF WATER SERVICE

Mr. Woodring presented a list of delinquent customers, 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 (1) approve the operator's report; and (2) authorize termination of delinquent accounts in accordance with the District's Rate Order, except for Johniqua Lowery, Gabriel Foster, and DNR Utilities, and that further taps be withheld from History Maker Homes, Censeo Homes and Colina Homes until back-charges are paid. Director Williams, seconded the motion, which passed by unanimous vote.

GARBAGE COLLECTION AND RECYCLING

Director Kerr reviewed a garbage and recycling tonnage collection report.

REPORT ON PARK, LANDSCAPE AND LAKE MAINTENANCE

The Board discussed options for Redi-Rock decorative walls as part of the proposed Bundy Lake Park Improvements, Phase 2. Following discussion, the Board concurred to defer discussion pending further review.

Director Kerr stated that Bundy Lake cul-de-sac entrances and fencing locations would be discussed at the April 22, 2019, special meeting.

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 Williams seconded the motion, which passed unanimous vote.

Ms. Carner discussed the District's current contract with MCI, and stated MCI provided an estimated cost of \$2,000 annually to add cyber liability coverage with a \$250,000 limit to their contract with the District. Discussion ensued.

After review and discussion, Director Elms moved to (1) approve the bookkeeper's report and investment report; (2) approve payment of invoices submitted, with the exception of checks made payable to Four Seasons Development Company and to Halff and Associates; and (3) authorize amendment of the District's contract with MCI to include a requirement for cyber liability coverage for a minimum amount of \$250,000. Director Williams seconded the motion, which passed unanimous vote.

ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Ms. Carner stated that the Texas Commission on Environmental Quality ("TCEQ") rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2019, prior to May 1st. Ms. Carner reviewed an Amended and Restated Drought Contingency Plan with the Board. After review and discussion, Director Kerr moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records. Director Williams seconded the motion, which passed by unanimous vote.

AMENDED AND RESTATED AGREEMENT FOR ENGINEERING SERVICES

Ms. Carner presented and reviewed an Amended and Restated Agreement for Engineering Services with Brown & Gay Engineers, Inc.

Following review and discussion, Director Elms moved to approve the Amended and Restated Agreement for Engineering Services and direct that the Agreement be filed appropriately and retained in the District's records. Director DuBois seconded the motion, which passed by unanimous vote.

DISTRICT WEBSITE AND ELECTRONIC COMMUNICATION MATTERS

Discussion ensued regarding third party payment information on the District's website and the procedures for delinquent customers to complete payment prior to disconnection. The Board concurred to request Director Elms to work with Off Cinco, and RWC to update the information regarding utility billing and payments.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

Discussion ensued regarding Board member attendance at the upcoming Association of Water Board Directors summer conference.

ATTORNEY'S REPORT

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

Mr. Wassinger re-entered the meeting at 8:25 p.m.

The Board discussed agenda items for the April 22, 2019, special meeting.

There being no additional business to consider, Director Elms moved to adjourn the meeting at 8:26 p.m. Director Thornhill seconded the motion, which passed unanimously.




Secretary, Board of Directors

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