

MINUTES  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

June 10, 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 10<sup>th</sup> day of June, 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 except Directors DuBois and Elms, thus constituting a quorum.

Also present were Yawa Batoke, District resident; Erin Garcia of Myrtle Cruz, Inc.; Alene Efaw of BGE, Inc. ("BGE"); Esther Flores of Tax Tech, Inc.; Stephen Woodring, Ginny Woodring and Scott Barr of Regional Water Corporation ("RWC"); Dane Turner of Best Trash, LLC; and Katie Carner and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

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

SECURITY REPORT

There was no discussion for this agenda item.

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

The Board did not meet in executive session.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

Director Kerr commented that flags are being attached to the fence at Bundy Lake without District authorization. She said she would reach out to homeowners' associations near Bundy Lake to answer any questions regarding procedures for obtaining authorization to place or post signage on District property.

## GARBAGE COLLECTION AND RECYCLING, INCLUDING ADOPT AMENDED RATE ORDER

Mr. Turner reviewed an annual Consumer Pricing Index ("CPI") adjustment for the period beginning June 1, 2019 and continuing through May, 2019. Following review and discussion, Director Thornhill moved to approve the CPI adjustment for the period beginning June 1, 2019 and continuing through May, 2020. The motion was seconded by Director Kerr and passed unanimously.

Discussion ensued regarding amending the District Rate Order to adjust the sanitary sewer base rate to include the additional \$0.70 per connection garbage collection and recycling fees. Following review and discussion, Director Thornhill moved to amend the District Rate Order, effective as of June 24, 2019, to increase the sanitary sewer base rate by \$0.40, as discussed. The motion was seconded by Director Kerr and passed unanimously.

Discussion ensued regarding the potential impact on the District's budget for the portion of the increase in garbage and recycling costs to be absorbed into the District's operating budget. The Board also discussed potentially developing an electronic survey to be administered through the District website to see if District residents remain interested in a District recycling program. The Board requested an agenda item on the July regular agenda to discuss amending the budget and an agenda item on the September regular agenda to discuss garbage and recycling service options.

## TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Flores reviewed the monthly tax assessor/collector's report, a copy of which is attached, including an update on 2018 taxes collected as of May 31, 2019.

Ms. Flores reported a preliminary taxable value for 2019 in the amount of \$829,357,252.

Following review and discussion, Director Thornhill moved to approve the tax assessor/collector's report. Director Williams seconded the motion, which carried unanimously.

## COLLECTION OF DELINQUENT TAXES

The Board considered authorizing Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the collection of delinquent 2018 taxes, as of July 1, 2019. Upon a motion made by Director Thornhill and seconded by Director Williams, the Board unanimously authorized Perdue, Brandon, Fielder, Collins & Mott, LLP to proceed with the delinquent tax collection.

## AMENDED AND RESTATED AGREEMENT FOR TAX SERVICES

Ms. Flores updated the Board regarding the status of finalizing an Amended and Restated Agreement for Tax Services. The Board took no action.

## MINUTES

The Board considered approving the minutes of the May 13, 2019, regular meeting. Following review and discussion, Director Kerr moved to approve the meeting minutes for the May 13, 2019, regular meeting, as submitted. Director Thornhill seconded the motion, which passed unanimously.

## AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES

Ms. Garcia updated the Board regarding the terms and conditions of a proposed Amended and Restated Agreement for Bookkeeping Services. Ms. Carner confirmed that ABHR has reviewed the contract submitted for execution. Following review and discussion, Director Thornhill moved to approve the submitted Amended and Restated Agreement for Bookkeeping Services. Director Williams seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia 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 (1) approve the bookkeeper's report and investment report; and (2) approve checks presented for payment, including handwritten check no. 10880 in the amount of \$99.55 to Zubair Mughal as a deposit refund, check no. 10881 to Mike Stone Associates in the amount of \$20,864.91 for contracted services, check no. 10882 in the amount of \$27,852 to Four Seasons Development for Pay Application No. 5b, and check no. 10883 in the amount of \$750 to Director Kerr for eligible Association of Water Board Directors ("AWBD") conference expenses. Director Thornhill seconded the motion, which carried unanimously.

## COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Woodring updated the Board regarding emails received through the District website and response returned to the customers making inquiries.

Ms. Batoke commented regarding late fees assessed to her account for a service application and a money order submitted by certified mail to RWC. She said she has a tracking order that confirms the application and money order was received by RWC on May 7, 2019. She said her water is scheduled to be terminated on June 6, 2019.

Following discussion, the Board concurred to discuss removing Ms. Batoke from the termination list, pending investigation of her account, under the operator's report.

#### 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 reported on pumpage numbers for May 2019 and current water and wastewater capacity, updated the Board regarding the status of finalizing agreement necessary for additional payment options for customers through BBVA Compass Bank, and reviewed and discussed a high volume water users report for the month of May 2019. Ms. Woodring reported that the Check Free payment option available through Kroger customer service centers has been discontinued, as discussed at the May special Board meeting. She reported the number of District customers making payment through Check Free, Western Union and Automated Clearing House ("ACH").

Mr. Woodring discussed the results of the recent fire hydrant survey and estimated repairs between \$1,340 and \$7,000.

Following review and discussion, Director Kerr moved to (1) approve the operator's report; and (2) authorize fire hydrant repairs for an amount not to exceed \$7,000. Director Thornhill seconded the motion, which passed unanimously.

The Board next discussed meter replacement policy options. Following review and discussion, Director Williams moved to approve a policy for (1) replacement of 3/4 and 5/8 meters registering over 1.5 million gallons; and (2) replacement of 1" meters registering over 2.5 million gallons. Director Thornhill seconded the motion, which passed unanimously.

#### TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Discussion ensued regarding late fees charged to Ms. Batoke's account. Ms. Woodring confirmed the documentation provided by Ms. Batoke showed that the certified mail took more than 30 days for delivery. Following review and discussion, Director Kerr moved to waive the late fee charged to Ms. Batoke's account. Director Thornhill seconded the motion, which passed unanimously.

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 Thornhill moved to authorize termination of delinquent accounts in accordance with the District's Rate Order, with the exception of customer, Yawa Batoke. The motion was seconded by Director Kerr and passed 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.

Ms. Efaw reviewed options and cost estimates for replacement of the generator at water plant no. 2. Discussion ensued regarding potential diesel delivery issues during weather events.

Ms. Efaw discussed review of preliminary plans submitted by the West Harris County Regional Water Authority ("WHCRWA") for a proposed 66-inch surface water line from Clay Road to Westfield Village Drive. Discussion ensued regarding expenses for any necessary relocation of District facilities during and projected schedules for delivery of surface water.

Ms. Efaw reported regarding an inquiry from Pape Dawson Engineers as part of a Harris County analysis of drainage matters in Bridgewater Village.

Following review and discussion, Director Thornhill moved to approve the engineer's report and to authorize design of a replacement diesel generator at water plant no. 2. Director Williams seconded the motion, which passed unanimously.

#### DISTRICT WEBSITE

There was no additional discussion for this agenda item.

#### SUMMER EVENT

Discussion ensued regarding preparation for the District's summer event on Saturday, August 3, 2019, from 10:00 a.m. to 1:00 p.m., including flyer distribution.

#### ATTORNEY'S REPORT

The Board reviewed and revised the Action List and discussed and amended the status of the items listed. The Board reviewed agenda items for the June, 2019 special meeting and the July, 2019 regular meeting.

There being no additional business to consider, Director Kerr moved to adjourn the meeting at 7:25 p.m. Director Thornhill seconded the motion, which passed unanimously.

*Mary DuBois*  
Secretary, Board of Directors

(SEAL)



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