

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

July 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 July, 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 Deputy Arhelger of the Harris County Sheriff's Office; Tracy Scott of Myrtle Cruz, Inc.; Esther Flores of Tax Tech, Inc.; Ginny Woodring and Lonnie Lee of Regional Water Corporation ("RWC"); Tim Applewhite of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Nino Corbett of Compass Land Development; Jeff Lewis of BBVA Compass; Anthony Broulliard, District resident, on behalf of customer, Edwin Taylor; Alene Efaw of BGE, Inc. ("BGE"); and Katie Carner and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

Director Kerr called the meeting to order at 5:00 p.m.

OPERATION OF DISTRICT FACILITIES

Ms. Woodring 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.

Ms. Woodring reported that the Check Free payment option has been reactivated at Kroger customer service centers. Discussion ensued regarding problems reported by customers attempting to make payment at Kroger locations. Mr. Lewis reported the corporate manager for Kroger assured him that on June 26, 2019 all Kroger customer service locations were advised to use Western Union terminals to process Check Free payments received. Ms. Woodring reported that, of the 8 customers reporting payment processing issues through Kroger prior to June 26, 2019, all received a delinquent letter.

The Board next discussed amending the District Rate Order to raise the delinquent balance required on a customer account before a customer is eligible for disconnection for non-payment. Following review and discussion, Director Thornhill moved to amend the District Rate Order, effective immediately, to increase the delinquent balance required before a customer account is eligible for disconnection for non-payment from \$20 to \$35. Director Kerr seconded the motion, which passed by a vote of 3 to 0, with Directors DuBois and Williams absent from the meeting.

Director Kerr commented regarding customer service complaints on social media and moved to schedule a District workshop meeting to assist residents to understand utility bills and options available for service and/or payment. The motion failed for lack of a second.

Ms. Woodring reported on pumpage numbers for June 2019 and discussed a high volume water users report for the month of June 2019. Discussion ensued regarding potentially amending the District's Rate Order to change the water usage tiers.

Ms. Woodring next presented an appeal from the customer at 21711 Alta Peak Way requesting an adjustment for a high water bill in May, 2019. Following review of the information provided by both the District operator and the customer, Director Thornhill moved to offer a 6 month payment plan to the customer at 21711 Alta Peak Way. Director Kerr seconded the motion, which passed by a vote of 3 to 0, with Directors DuBois and Williams absent from the meeting.

Mr. Bouillard reported that Mr. Taylor was told that if he paid his delinquent utility bill before 4:00 p.m. and emailed a receipt, he could avoid disconnection. He said Mr. Taylor emailed the receipt, as directed, but said his water was disconnected. Mr. Bouillard said Mr. Taylor then paid additional after hour fees to reconnect service, but said no one came until the following day to reconnect service. The Board requested a copy of the receipt that Mr. Taylor emailed to RWC. Ms. Woodring said RWC would investigate the complaint further and report back to the Board. The Board concurred to defer discussion until the special meeting on August 22, 2019 and requested that the customer be advised that the District will put the account on hold pending receipt of additional information from RWC. A copy of Mr. Taylor's written appeal is attached.

The Board also received a written appeal from customer, Yolanda Burroughs, a copy of which is attached.

Ms. Woodring updated the Board on meters replaced pursuant to the meter replacement policy. Discussion ensued regarding smart meters, and the Board concurred to request a demonstration/presentation from Kamstrup at the August, 2019 special meeting.

Mr. Lewis said he would have a Merchant Agreement with BBVA Compass ready for signature at the meeting on August 22, 2019. Discussion ensued regarding alternative utility bill payment options and providers. Following discussion, the Board concurred to request that First Billing attend and make a presentation at the August, 2019 regular Board meeting.

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

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

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 customers, Edwin Taylor and Yolanda Burroughs, and subject to revision of the delinquent list to remove those customers with delinquent balances lower than \$35 and those 8 customers who called in to report payment issues at Kroger locations. The motion was seconded by Director Williams and passed unanimously. Upon a motion by Director Thornhill and a second by Director Kerr, the Board also voted unanimously to waive delinquent fees, if any, for those 8 customers reporting payment issues at Kroger locations.

AUDIT FOR FISCAL YEAR ENDED MARCH 31, 2019

Mr. Applewhite reviewed the audit for the fiscal year ended March 31, 2019, a copy of which is attached. Following review and discussion, Director Thornhill moved to approve the audit for the fiscal year ended March 31, 2019, subject to final review, and direct that the final audit be filed appropriately and retained in the District's official records. Director DuBois seconded the motion, which passed by unanimous vote.

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 June 30, 2019.

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

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.

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; 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 6:14 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 and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION

At 6:27 p.m., the Board reconvened in Open Session. No action was taken by the Board.

DIRECTORS AND DISTRICT CONSULTANT’S REPORTS

Additional discussion ensued regarding concerns that customers may need assistance understanding utility bills. Following discussion, Director Elms said she would prepare an exhibit to demonstrate how to read a water bill for the Summer Event.

Discussion ensued regarding liaison assignments. Upon a motion by Director Kerr and a second by Director Thornhill, the Board voted unanimously to reorganize the Board liaison assignments as follows:

- | | |
|--|-----------|
| Tax Tech, Masterson Advisors, Insurance, | |
| Storm Water Solutions | Thornhill |
| ABHR, Security, Garbage | Kerr |
| Myrtle Cruz, McCall | DuBois |
| Brown & Gay, District website | Elms |
| Operating, Parks | Williams |

MINUTES

The Board considered approving the minutes of the June 10, 2019, regular meeting. Following review and discussion, Director DuBois moved to approve the meeting minutes for the June 10, 2019, regular meeting, as amended. Director Williams seconded the motion, which passed unanimously.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Ms. Woodring updated the Board regarding emails received through the District website and response returned to the customers making inquiries. The Board requested that discussion regarding emails received regarding Directors Park gates and the splash pad be forwarded to Mike Stone Associates and that comment be deferred until the special meeting on August 22, 2019.

GARBAGE COLLECTION AND RECYCLING

Director Kerr updated the Board regarding proposed recycling facilities tour and recyclable materials information flyers for the Summer Event.

FINANCIAL AND BOOKKEEPING MATTERS AND AMENDMENT OF BUDGETS FOR FISCAL YEAR ENDING MARCH 31, 2020

Ms. Scott reviewed a summary of the bookkeeper's report and investment report, copies of which are attached, presented the bills for payment and reviewed an amended District budget for the fiscal year ending March 31, 2020 revising sanitary sewer revenue and an amended Joint Facilities Budget amending engineering expense for application to the Texas Commission on Environmental Quality ("TCEQ") to renew the District's wastewater treatment plant permit.

After review and discussion, Director Elms moved to (1) approve the bookkeeper's report and investment report; and (2) amend the District and Joint Facilities budgets, as discussed. Director Thornhill seconded the motion, which carried unanimously.

Discussion ensued regarding the District's remaining bond authorization and capital improvements planned. Following review and discussion, the Board concurred to authorize ABHR and BGE to send a letter to the TCEQ notifying the TCEQ of the District's intent to fund the generator replacement at water plant no. 2 with surplus bond funds.

Ms. Carner updated the Board on a request for capacity to serve a proposed multi-family development. She said that the deposit to cover feasibility expenses requested from the developer has not been received.

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

The Board next considered expenses submitted by Board members who attended the summer conference and considered authorizing attendance at the AWBD winter conference and summer workshop. The bookkeeper noted the expenses are in compliance with the District's travel and reimbursement guidelines. Director Thornhill moved to authorize reimbursement of the eligible expenses submitted for the summer conference and attendance by all interested directors at the AWBD winter conference and summer workshop. The motion was seconded by Director Kerr and passed unanimously.

ENGINEERING MATTERS

Mr. Corbett provided an update regarding development of his pending development project.

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 requested a presentation regarding the District's Geographical Information System ("GIS") at the September 2019 special Board meeting.

Ms. Efaw next submitted an amended Emergency Preparedness Plan ("EPP") adding water plant no. 3.

Following review and discussion, Director Elms moved to (1) approve the engineer's report; and (2) approve amendment of the EPP and authorize submittal to the TCEQ. Director Thornhill 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.

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 July, 2019 special meeting and the August 2019 regular meeting.

Ms. Carner reviewed a legislative update report.

There being no additional business to consider, Director Elms moved to adjourn the meeting at 8:04 p.m. Director Thornhill seconded the motion, which passed unanimously.


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u>
	<u>Page</u>
operator's report, including appeals submitted by customers Taylor and Burroughs	1
audit for the fiscal year ended March 31, 2019	3
tax assessor/collector's report	3
bookkeeper's report.....	5
engineer's report	6