

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 71

October 14, 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 14th day of October, 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 Williams, thus constituting a quorum.

Also present were Mike Thornhill, District resident; Tina Kelsey of Myrtle Cruz, Inc.; Esther Flores of Tax Tech, Inc.; Steve Woodring, James Woodring and Scott Barr of Regional Water Corporation ("RWC"); Alene Efaw of BGE, Inc.; Officer Steve Arhelger of the Harris County Sherriff's Department; Mathew May of Best Trash, Inc. ("Best Trash"); Nino Corbett of Compass Land Development, LLC; and Katie Carner, Erika Smiley and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

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

SECURITY REPORT, INCLUDING 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 6:00 p.m. the Board met in executive session to deliberate the deployment, or specific occasions for implementation of security personnel or devices. Officer Arhelger, Ms. Carner, Ms. Smiley and Ms. Miller also were present.

RE-CONVENE IN OPEN SESSION

At 6:13 p.m., the Board reconvened in Open Session. Following discussion, the Board concurred to keep patrol staffing the same for 2020.

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 requested authorization to prepare cost estimates for either replacement or relocation of the wastewater treatment plant bleach and de-chlorination containment wall and foundation. Following review and discussion, the Board concurred to authorize BGE to prepare an estimate for relocation.

Mr. Corbett reported that receipt of bids for construction of water, sewer and drainage to serve Morton Ranch Crossing is delayed until October 24, 2019, pending confirmation that the current construction plans and specifications meet newly adopted Harris County drainage requirements. Discussion ensued regarding bidding procedures. After discussion, the Board concurred to direct BGE to either reject nonconforming bids from bidders who did not attend the mandatory pre-bid conference or to return all bids unopened and re-advertise for bids, as determined by Mr. Corbett.

Ms. Efaw discussed a request from Harris County Municipal Utility District No. 287 ("No. 287") for a 10' sanitary sewer easement along Elrod Road through the remote water well site received to serve several Morton Ranch commercial tracts and a lift station. The Board concurred to defer discussion until the October, 2019 special meeting.

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

GARBAGE COLLECTION AND RECYCLING

Mr. May discussed current recycling markets and updated the Board regarding a proposed recycling facilities tour on October 29 or 30, 2019.

Mr. May requested that the Board consider an amendment to the District's contract with Best Trash to average the Consumer Price Index ("CPI") over a 12 month period versus one particular month. Following discussion, the Board concurred to place an item on the October, 2019 special meeting agenda to consider amendment of the District's contract with Best Trash, as discussed.

Mr. May Also discussed reviewed trash and recycling cart and collection options and the term of the District's current contract with the District expiring in March, 2023.

COMMENTS AND WEBSITE INQUIRIES FROM THE PUBLIC

Mr. Stephen Woodring provided a written report and reported to the Board regarding emails received through the District website and response returned to the customers making inquiries, none of which required Board action. The Board discussed an inquiry submitted by Matt Bradshaw, President of the Lakes at Mason Park Homeowner's Association, regarding options to reduce speeding, which was answered by Officer Arhelger.

DIRECTORS AND DISTRICT CONSULTANT'S REPORTS

There was no discussion for this agenda item.

MINUTES

The Board considered approving the minutes of the September 9, 2019, regular meeting. Following review and discussion, Director Kerr moved to approve the meeting minutes for the September 9, 2019, regular meeting, as amended. Director Thornhill seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS AND AMENDED AND RESTATED AGREEMENT FOR TAX SERVICES

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 September 30, 2019.

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

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Flores confirmed that she published notice of the proposed 2019 tax rate of \$0.79 per \$100 assessed valuation. The Board then opened the public hearing to allow public comment on the proposed 2019 tax rate. No members of the public came forward to speak. The Board closed the public hearing.

Ms. Carner presented an Order Levying Taxes reflecting a total 2019 tax rate of \$0.79 per \$100 assessed valuation, with \$0.48 allocated for debt service and \$0.31 allocated for operations and maintenance. She then presented an Amendment to Information Form reflecting the proposed tax rate. Ms. Carner stated that the

Amendment to Information Form will be filed in the official records of Harris County and with the Texas Commission on Environmental Quality ("TCEQ").

After review and discussion, Director Elms moved to (1) adopt the Order Levying Taxes; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Thornhill seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Kelsey 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 Thornhill seconded the motion, which carried unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Stephen 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.

Mr. Stephen Woodring reported on pumpage numbers for September, 2019 and discussed a high volume water users report for the month of September, 2019.

Mr. Stephen Woodring reported that the well motor installed at Water Plant No. 2 in January, 2019 failed and may not be covered under the motor manufacturer's warranty. Mr. Stephen Woodring said the repair is estimated between \$10,000 and \$17,000. He said he will continue to work with BGE and the contractor, Alsay, because the repair should be covered under Alsay's warranty.

Mr. James Woodring next discussed the proposed transition plan to move the District's utility billing to First Billing, including a mailer and a billing insert to notify customers of the billing provider transition. Following discussion, the Board concurred to go live with the new system in January, 2020.

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

The Board requested that Director Williams review and compare proposals submitted by multiple electronic Meter vendors, including Ferguson Waterworks for Mueller meters and from Master Meter, and determine whether to include presentations

from Ferguson Waterworks for Mueller meters and from Master Meter on the October, 2019 special Board meeting agenda.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. James Woodring discussed mail delivery delays due to the impact of Tropical Storm Imelda on local mail sorting facilities and recommended that the Board defer termination of service for delinquent accounts until the November, 2019 Board meeting allowing additional time for receipt of customer payments mailed to RWC.

Mr. James 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 (1) authorize termination of delinquent accounts in accordance with the District's Rate Order; and (2) for the current billing cycle, to waive any late fees and penalties, including disconnection and reconnection fees, additional security deposits usually required as a result of disconnection, late fees and delinquent letters. The motion was seconded by Director Thornhill and passed unanimously.

The Board concurred to consider extending the temporary waiver of late fees and penalties, as listed above, due to the impact of Tropical Storm Imelda at the Board's October, 2019 special meeting.

MOWING AGREEMENT

Ms. Carner presented draft correspondence to the Harris County Flood Control District ("HCFCD") requesting renewal of the District's Interlocal Agreement for Mowing of the U-101-08-00 channel. Following review and discussion, Director Kerr moved to approve submission of the correspondence to HCFCD requesting renewal of the mowing agreement for the U-101-08-00. Director Elms seconded the motion, which passed unanimously.

REVIEW AND AUTHORIZE UPDATES TO DISTRICT INFORMATION KIT

Following discussion, the Board concurred to discontinue updates to the District Information Kit.

DISTRICT WEBSITE

Director Elms reported additional website traffic and subscribers added since the last meeting.

HOLIDAY IN THE PARK

The Board discussed preparation and plans for the District's annual Holiday in the Park on December 14, 2019 from 4:00 p.m. to 6:00 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 October, 2019 special meeting.

Ms. Carner reported on Harris County's proposed construction of an additional detention pond where Mayde Creek intersects with the Grand Parkway.

Discussion ensued regarding upcoming Association of Water Board Directors ("AWBD") and West Harris County Regional Water Authority ("WHCRWA") educational events.

EXECUTIVE SESSION PURSUANT TO SECTION 551.072 TEXAS GOVERNMENT CODE

The Board determined it was not necessary to convene in executive session to deliberate the purchase and value of real property.

There being no additional business to consider, Director Thornhill moved to adjourn the meeting at 7:51 p.m. Director Kerr seconded the motion, which passed unanimously.




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
tax assessor/collector's report	3
bookkeeper's report.....	4
operator's report	4