

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 81
OF HARRIS COUNTY, TEXAS

January 23, 2020

The Board of Directors ("Board") of Harris County Municipal Utility District No. 81 of Harris County, Texas (the "District"), met in regular session, open to the public, at 805 Hidden Canyon Drive, Katy, Texas 77450, inside the boundaries of the District, on the 23rd day of January, 2020, and the roll was called of the members of the Board:

John Savage	President
George Goff	Vice President
Patrick Cathcart	Secretary
Donna Brown	Treasurer
Bruce Cox	Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Virginia Goff, Carole Menninger, John Meyberg and Diana Krumrey, members of the public; Christie Leighton of Best Trash, LLC; David Wood of Robert W. Baird & Co. Incorporated ("Baird"); Ryan Fortner of Wheeler & Associates, Inc.; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Pamela Redden of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Kate Hallaway of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Ms. Menninger thanked the Board for the District newsletter and stated it was very informative. In response to a question regarding the proposed Harris County drainage improvement project, Ms. Carner stated the matter would be discussed under items 9.f. and 14.

GARBAGE AND RECYCLING, INCLUDING PROPOSALS FOR COMMUNITY SHRED EVENT

Ms. Leighton discussed the shred event and stated that April 8th was available from 9:00 a.m. to 12:00 p.m. for a cost of \$1,050.00. After discussion, Director Goff moved to approve the Shred Event to be on April 18th at the parking lot across from the District Administration building from 9:00 a.m. to 12:00 p.m. for the amount of \$1,050.00. Director Brown seconded the motion, which carried by unanimous vote.

MINUTES

The Board considered approving the minutes of the December 19, 2019, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the December 19, 2019, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Fortner reviewed the tax assessor/collector's report for the month of December, a copy of which is attached. He stated the report reflects that the District's 2019 taxes were 54.34% collected as of the end of December. After discussion, Director Cathcart moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cox seconded the motion, which carried by unanimous vote.

Mr. Fortner distributed and reviewed the Business Sales Tax Report, a copy of which is attached.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Carner reported on the District's compliance activities during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

BOOKKEEPER'S REPORT

The Board reviewed the bookkeeper's report, a copy of which is attached. Ms. Redden reviewed each District account and the bills to be paid, as well as a budget to actual comparison.

Ms. Redden presented five additional checks, including check no. 15917 in the amount of \$1,643.18, payable to Custom Cutters, check no. 15918 in the amount of \$70.09, payable to Stargel Office Solutions, check no. 15919, in the amount of \$27.61, payable to Starr Johnson for office supplies, check nos. 1324 and 15920 in the amounts of \$90,000.00 and \$12,150.00, payable to McDonald Municipal Industrial ("McDonald") for Pay Estimate No. 1 for a total of \$102,150.00 for the water plant no. 4 Emergency Generator and Motor Control Center replacement.

Ms. Redden noted that the monthly electric bill will be prorated to reflect the credit issued to the District for erroneously charged sales taxes in the amount of \$11,132.28.

After discussion, Director Brown moved to approve the bookkeeper's report and the checks presented for payment, including the additional checks. Director Cox seconded the motion, which carried by unanimous vote.

ACCEPT ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

Ms. Carner presented the annual disclosure statements for the Investment Officer and bookkeeper, in accordance with the requirements of the Public Funds Investment Act. She stated that the disclosure statements must be filed with the Texas Ethics Commission. After review and discussion, Director Cox moved to accept the disclosure statements and to authorize filing of same with the Texas Ethics Commission. Director Brown seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT

Mr. Chapline reviewed a written operations report, a copy of which is attached. He reported that the District's water accountability was 96% for December, 2019.

Mr. Chapline reported there were ten accounts totaling \$2,180.25 deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Mr. Chapline reviewed additional repair and maintenance items performed during the month.

CUSTOMER REQUESTS

There were no customer requests.

REPORT ON REVIEW AND PROPOSED ABANDONMENT OF INTERCONNECTS

There was no discussion on this matter.

UPDATE ON REIMBURSEMENT FOR PICKFORD SANITARY SEWER LINE REPAIRS

Ms. Carner stated that the Cimarron Community Improvement Association ("Cimarron HOA") sent a letter to the District requesting the District's insurance information to file a claim for damage that allegedly occurred to their clubhouse due to a main sewer line backup on August 5, 2019. She stated the requested information has been submitted and the claim has been denied.

APPROVE COMPLETION AND SUBMITTAL OF WATER USAGE REPORTING FORM TO THE WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Mr. Chapline discussed the water usage reporting form request from the Authority. After discussion, Director Cox moved to authorize completion and submittal of the water usage reporting form to the Authority. Director Cathcart seconded the motion, which carried by unanimous vote

After review and discussion, Director Goff moved to approve the operator's report and write off ten delinquent accounts totaling \$2,180.25 which are deemed not to be collectible, submit same to a collection agency, and direct that the uncollectible account list be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which carried by unanimous vote.

TERMINATION OF SERVICE

The Board conducted a hearing regarding termination of water and sewer services. Mr. Chapline presented to the Board a list of delinquent customers. Ms. Johnson informed the Board that all of the residents on the termination list were delinquent in payment of utility bills and were given written notification prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their utility service bills and show reason why utility services should not be terminated for reasons of nonpayment. She stated that customer Montgomery requested an extension for payment of their delinquent account.

Following review and discussion, Director Cathcart moved to authorize that because none of the residents on the list were present at the meeting nor had presented any written statement on the matter, the utility service for the customers on the list should be terminated on January 6, 2020, if their utility bills are not paid in accordance with the District's Rate Order, except for customer Montgomery, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed unanimously.

ENGINEER'S REPORT

Mr. Baker presented the engineer's report, a copy of which is attached.

WATER PLANT NO. 4 NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT

Mr. Baker stated the contractor for the natural gas generator and MCC replacement at water plant no. 4 is McDonald. He stated the total project amount is \$778,469.00. Mr. Baker then reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$102,150.00.

DRINKING WATER QUALITY, INCLUDING WATER PLANT NO. 4 WATER WELL NO. 4 PROFILING

Mr. Baker stated that C & C Water Services, LLC. ("C & C") is the contractor for the water plant no. 4 water well no. 4 televising and profiling. He stated the total project amount is \$204,359.00.

TELEVISIONING OF MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER

Mr. Baker stated Chief Solutions, Inc. ("CS") is the contractor for this project. He stated the total project amount is \$50,549.70.

HARRIS COUNTY PRECINCT 3 EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD

Ms. Carner stated that Harris County's construction of the hike and bike trail extension is in process. Following discussion, the Board requested Ms. Johnson to obtain a proposal for commemorative signs.

APPROVE BOND ENGINEERING REPORT

Mr. Baker presented and reviewed the Bond Engineering Report for the District's share of the proposed Harris County drainage improvements in the amount of \$8,200,000, a copy of which attached. Discussion ensued.

CAPITAL IMPROVEMENT PLAN

Mr. Baker distributed and reviewed an updated capital improvement plan ("CIP"), a copy of which is attached to the engineer's report.

REQUEST FROM HARRIS COUNTY ("COUNTY") REGARDING STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS

Mr. Baker discussed the County's request for financial assistance for the drainage improvements in the Memorial Parkway and Cimarron subdivisions. Discussion ensued.

BOND APPLICATION NO. 8

Mr. Baker stated BGE has received a letter from the Texas Commission on Environmental Quality stating bond application no. 8 is administratively complete.

Following review and discussion, and based upon the engineer's recommendation, Director Cox moved to (1) approve the engineer's report; (2) approve the Bond Engineering Report; and (3) approve Pay Estimate No. 1 in the amount of \$102,150.00, payable to McDonald. Director Cathcart seconded the motion, which carried by unanimous vote.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT ("WEST MEMORIAL")
SEWAGE TREATMENT PLANT MEETING AND PROPOSED PLANT
IMPROVEMENTS

Director Cox updated the Board on the West Memorial Plant site and reported on the West Memorial Sewage Treatment Plant meeting.

OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE AND
DISTRICT WEBSITE AND EMPLOYMENT MATTERS

ADMINISTRATION BUILDING SITE DRAINAGE IMPROVEMENTS

Mr. Chapline updated the Board on the status of the drainage improvements.

SECURITY CAMERA EQUIPMENT MAINTENANCE

Ms. Johnson reminded the Board that when NCS installed the new cameras they damaged the new paint on the walls. Ms. Carner updated the Board and stated that the reimbursement check from NCS has been received.

Ms. Johnson presented and reviewed a proposal from Johnson Controls in the amount of \$3,909.00 to perform a sprinkler system survey, a copy of which is attached. After discussion, Director Cathcart moved to approve the proposal from Johnson Controls in the amount of \$3,909.00 to conduct a sprinkler system survey and approve a Service Agreement for same, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Goff seconded the motion, which carried by unanimous vote.

Director Savage stated the security cameras at water well no. 3 are not functioning. He presented a proposal in the amount of \$4,200.00 from NCS to replace the cameras, a copy of which is attached. After discussion, Director Cox moved to approve the proposal from NCS in the amount of \$4,200.00 for the replacement of the security cameras at water well no. 3. Director Cathcart seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY"),
INCLUDING ADOPT RESOLUTION NOMINATING A CANDIDATE TO SERVE AS A
DIRECTOR ON THE BOARD OF DIRECTORS OF THE WEST HARRIS COUNTY
REGIONAL WATER AUTHORITY DIRECTOR PRECINCT 3

The Board next considered nominating a candidate to serve on the Board of Directors of the Authority. After discussion, Director Savage moved to adopt the Resolution nominating Eric Hansen to serve on the Board of Directors of the Authority, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which passed by unanimous vote.

2020 DIRECTORS ELECTION

Ms. Carner discussed procedures related to the 2020 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2020 Directors Election Period. Following review and discussion, Director Cox moved to adopt a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2020 Directors Election Period appointing Kim Cannon as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which was approved by unanimous vote.

Ms. Carner reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2020 Directors Election. Following discussion, Director Cox moved to authorize the Secretary's agent to post the notice as required. Director Cathcart seconded the motion, which was approved by unanimous vote.

Ms. Carner discussed exemptions from using electronic voting systems during the 2020 Directors Election. Following discussion, Director Cox moved to authorize the Secretary's agent to publish Notice of Exemption in a newspaper of general circulation. Director Cathcart seconded the motion, which was approved by unanimous vote.

The Board discussed pay for election officials during the 2020 Directors Election. Following discussion, Director Cox moved to set the pay for election officials at \$17.00 per hour. Director Cathcart seconded the motion, which was approved by unanimous vote.

Ms. Carner reviewed an Order Calling Directors Election. Following review and discussion, Director Cox moved to adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which passed unanimously.

Ms. Carner discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. Following discussion, Director Cox moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required, and to direct that the Notice be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which passed unanimously.

2020 BOND ELECTION

Mr. Wood discussed the proposed bond election of \$8,200,000 and presented a bond analysis, a copy of which is attached. Discussion ensued.

Ms. Carner discussed procedures related to the 2020 Bond Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2020 Bond Election Period. Following review and discussion, Director Cox moved to adopt a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2020 Bond Election Period appointing Kim Cannon as the agent of the Secretary of the Board of Directors to perform the duties of the District's Bond Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which was approved by unanimous vote.

Ms. Carner discussed exemptions from using electronic voting systems during the 2020 Bond Election. Following discussion, Director Cox moved to authorize the Secretary's agent to publish Notice of Exemption in a newspaper of general circulation. Director Brown seconded the motion, which was approved by unanimous vote.

The Board discussed pay for election officials during the 2020 Bond Election. Following discussion, Director Cathcart moved to set the pay for election officials at \$17.00 per hour. Director Brown seconded the motion, which was approved by unanimous vote.

Ms. Carner reviewed an Order Calling the Bond Election. Following review and discussion, Director Cox moved to adopt the Order Calling the Bond Election and direct that the Order be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which passed unanimously.

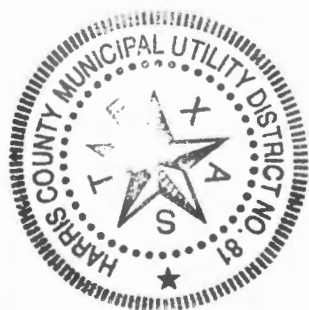
Ms. Carner discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. Following discussion, Director Cox moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required, and to direct that the Notice be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which passed unanimously.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.



Secretary, Board of Directors

(SEAL)



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