

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

January 24, 2019

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 24th day of January 2019, and the roll was called of the duly constituted members of the Board of Director, to-wit:

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 Terry Savage and Virginia Goff, members of the public; Rene Anandel of Wheeler and Associates, Inc. ("Wheeler"); Richard Roberts of Municipal District Services, L.L.C. ("MDS"); Mary Lutz 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").

MINUTES

The Board considered approving the minutes of the December 13, 2018, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the December 13, 2018, regular meeting. Director Cox seconded the motion, which carried by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Anandel reviewed the tax assessor/collector's report for the month of December, a copy of which is attached. She stated the report reflects that the District's 2018 taxes were 55.65% collected as of the end of December. After discussion, Director Cox moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Goff seconded the motion, which carried by unanimous vote.

## BOOKKEEPER'S REPORT

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

Ms. Lutz presented one additional check, check no. 15076, payable to Starr Johnson for office supplies in the amount of \$107.06. After discussion, Director Cox moved to approve the bookkeeper's report and the checks presented for payment. Director Brown seconded the motion, which carried by unanimous vote.

## ANNUAL DISCLOSURE STATEMENTS

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.

## 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.

## OPERATOR'S REPORT

Mr. Roberts reviewed a written operations report, a copy of which is attached. He reported that the District's water accountability was 90.4% for December 2018.

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

Mr. Roberts stated a MDS employee performing routine water sampling at the exterior of a resident's home was approached by the resident's neighbor questioning MDS accessing the property. Mr. Roberts stated water samples have been taken from this residence for many years and were initially authorized by the property owner. After discussion, the Board concurred to authorize MDS to contact the homeowner to notify them of the incident and re-confirm their participation in the sampling program.

Mr. Roberts reported there were five accounts totaling \$1,204.23, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

## RED ROCK CANYON STORM SEWER AND SANITARY SEWER LINES

Mr. Baker stated that BGE has confirmed that Harris County will be replacing portions of the street adjacent to the storm sewers in the next few weeks, but noted that some resident driveway aprons may need adjustment or replacement.

Discussion ensued regarding repairs to the sanitary sewer lines and adjacent sidewalk repairs.

After review and discussion, Director Cox moved to approve the operator's report and write off the five delinquent accounts totaling \$1,204.23 that 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 Cathcart seconded the motion, which carried by unanimous vote.

## CUSTOMER REQUESTS

There were no customer requests.

## TERMINATION OF SERVICE

The Board conducted a hearing regarding termination of water and sewer services. Mr. Roberts 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 customers Smith, Cadden, Mouzourakis, Hart, and Parks requested an extension for payment of their delinquent accounts.

Discussion ensued regarding the federal government shutdown and residents affected by same.

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 30, 2019, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Smith, Cadden, Mouzourakis, Hart, and Parks and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which passed unanimously.

## ENGINEER'S REPORT

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

APPROVE PLANS AND SPECIFICATIONS FOR NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT AT WATER PLANT NO. 4

Mr. Baker presented and reviewed a proposal from BGE in the amount of \$85,000.00 for engineering services related to the replacement of the natural gas generator and MCC at water plant no. 4. He stated the total cost to replace the natural gas generator and MCC is \$800,000.00, which includes \$500,000 for the natural gas generator and \$300,000 for the MCC. Discussion ensued.

Mr. Baker discussed the potential relocation of auxiliary fuel tank at water plant no. 4 to water plant no. 2. Discussion ensued.

DISCUSS POTENTIAL REPLACEMENT OF WATER LINE DISTRIBUTION SYSTEM

Mr. Baker presented and reviewed a scheduled summary, indicating prioritized sections for the replacement of the water line distribution system in the District. He stated the estimated cost is \$9,770,658.00. Discussion ensued regarding the construction timeline and options for financing the project.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR PARK BEND AND STRAWBERRY PARK STORM SEWER INLET IMPROVEMENTS

Mr. Baker stated that RJ&M Utility Construction is the contractor for the Park Bend Drive water sewer inlet rehabilitation project. He stated the total amount for the project is \$112,096.00. He stated the contracts are currently being processed and a preconstruction meeting has been scheduled.

TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

There was no discussion on this matter.

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

There was no discussion on this matter.

CAPITAL IMPROVEMENT PLAN

Mr. Baker distributed and reviewed an updated capital improvement plan ("CIP"). Discussion ensued.

Following review and discussion, Director Cathcart moved to (1) approve the engineer's report; and (2) approve the proposal from BGE in the amount of \$85,000.00 for engineering services related to the replacement of the natural gas generator and MCC at water plant no. 4. Director Cox seconded the motion, which carried by unanimous vote.

BOND APPLICATION NO. 8, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECT AND BONDS AND OTHER ENGINEERING MATTERS

Mr. Baker presented and reviewed a revised draft cost summary for Bond Application No. 8, in the amount of \$4,000,000.00, a copy of which is attached to the engineer's report. Discussion ensued regarding use of the funds, including the possible replacement of the diesel generator at water plant no. 4 with a natural gas generator.

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, INCLUDING PROPOSAL FOR SANITARY SEWER LINE REHABILITATION, AND, IF APPROPRIATE, APPROVE RELATED SERVICE AGREEMENT, REPLACEMENT OF ELECTRONIC DOOR LOCK, WALLPAPER REMOVAL, FLOOR REFINISHING, DOOR REFINISHING, AND KITCHEN CLOSET SHELF INSTALLATION

Mr. Baker presented and reviewed three proposals from Katy Plumbing in the amounts of \$78,450.00, \$101,110.00, and \$156,100.00, for the rehabilitation of the sanitary sewer line at the District administration building. Discussion ensued regarding the proposals and different options for the rehabilitation.

Mr. Baker presented and reviewed a proposal in the amount of \$756.00 from Traptex Plumbing Protection System for the installation of five toilet guards to help prevent sewer line blockages at the District administration building. Discussion ensued regarding the manual maintenance and effectiveness of the product. The Board requested Mr. Baker to contact the company to see if they could provide one sample unit on a trial basis.

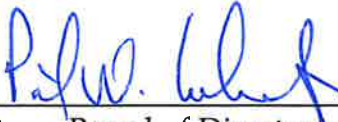
Director Goff requested that BGE inspect the base of the light poles in the front of the District administration building for potential corrosion.

Discussion ensued regarding additional required maintenance at the District administration building, including exterior painting.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this item.

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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