

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

January 25, 2018

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 25th day of January, 2018, and the roll was called of the duly constituted members of the Board of Directors, 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, Ken and Patricia Finlayson, Sean Montano, and Samuel Flusche, members of the public; Sharlu Melville of Memorial Parkway Elementary School; Ryan Fortner of Wheeler and Associates, Inc. ("Wheeler"); Bryan Chapline of Municipal District Services, L.L.C. ("MDS"); Jorge Diaz and Karen Sears of McLennan & Associates, L.P. ("McLennan"); Daniel Sparks 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 14, 2017, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the December 14, 2017, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

REQUEST FROM MEMORIAL PARKWAY ELEMENTARY REGARDING FUNDING FOR SPARK PARK

Ms. Melville stated the construction of the SPARK Park equipment is complete, however they are making additional improvements, including eight nature trail display signs with the history and theme of Texas. She presented and reviewed a proposal for materials for the plans for the eight nature trail signs in the amount of \$1,485.00 and discussed the placement of the signs throughout the park. A copy of the nature trail sign proposal and plans are attached. She also discussed additional planned improvements and maintenance requirements for the park. After discussion, Director

Goff moved to approve a contribution in the amount of \$5,000.00 for additional improvements to the SPARK Park and to authorize ABHR to prepare a funding agreement for the contribution. Director Cathcart 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 2017 taxes were 51.27% 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 presented the SRI quarterly report on businesses paying sales tax in the District, a copy of which is attached.

Mr. Fortner reviewed a delinquent tax roll, a copy of which is attached to the tax assessor's report.

#### REQUEST FROM THE CITY OF HOUSTON FOR THE STRATEGIC PARTNERSHIP AGREEMENT UPDATE AND AUTHORIZE APPROPRIATE ACTION

Mr. Fortner reported that Wheeler and Associates investigated the District's sales tax roll information provided by the City of Houston (the "City") and submitted their updates to the City.

#### BOOKKEEPER'S REPORT

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

Mr. Diaz presented three additional checks including check no. 14255 payable to Doris Vogt, in the amount of \$350.05, check no. 14256, in the amount of \$250.00 payable to Patricia Finlayson, and check no. 14257 in the amount of \$3,271.61, payable to Department of Health and Services of Texas.

Director Goff inquired about the two utility bill payments on this month's bookkeeper's report. Mr. Diaz stated there was no utility payment made in November, thus two December payments were made to bring the accounts current.

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

## ACCEPT ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

The Board considered accepting annual disclosures from the District's bookkeeper and Investment Officer for filing with the Texas Ethics Commission as required by the Public Funds Investment Act. Director Cathcart moved to accept the annual disclosures from the District's bookkeeper and Investment Officer and to authorize filing of same with the Texas Ethics Commission. Director Cox seconded the motion, which carried 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. Ms. Carner stated that no change to the District's compliance policy is recommended at this time.

## 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 97.7% for December 2017.

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

Ms. Carner discussed the fence replacement request previously sent to the resident at 722 Park Knoll Lane. Ms. Carner stated she has not received a response from the resident regarding the proposal to divide the \$2,282 cost evenly between the District and the resident for installation of a six-foot wooden fence on the property line. Discussion ensued.

After review and discussion, Director Cathcart moved to approve the operator's report and authorize ABHR to resend the letter to the homeowner requesting a response regarding the proposed equal split between the District and the resident to replace the fence behind 722 Park Knoll. Director Cox seconded the motion which carried by unanimous vote.

## CUSTOMER REQUESTS

Ms. Johnson stated that MDS performed an audit on the District's Rate Order and found some discrepancies that may need to be addressed regarding the deposit amounts for tenants and homeowners to reinstate service following disconnection for delinquencies in payment. Discussion ensued. After discussion, the Board concurred to review the Rate Order at the February Board meeting.

Ms. Finlayson stated that during the ice storm she noticed discolored water while washing her white clothing. She stated she did not receive notice regarding the

discolored water, and the clothing she washed in the washing machine was ruined. She presented the damaged items to the Board. Discussion ensued regarding water service during the ice storm. After discussion, Director Goff moved to reimburse Ms. Finlayson an amount of \$250 for her damaged white clothing items. Director Cathcart seconded the motion, which carried by unanimous vote.

Ms. Carner stated that Troy Browning requested that the \$15 delinquent letter fee be removed from his utility account for 827 Pickford. The Board reviewed correspondence from the resident regarding his concerns related to the timeliness of utility bills, delinquency and other fees, and the maintenance of storm sewers located within the District. After discussion, the Board concurred to deny the request to remove the \$15 delinquent letter fee.

Ms. Carner distributed and reviewed a letter from the Memorial Parkway Community Association to the residence at 21422 Park Valley Drive which has household wastewater discharging down the driveway into the storm sewer inlet, rather than into the sanitary sewer system. A copy of the letter is attached. Discussion ensued regarding the source of the leak, the responsibility of storm sewer maintenance by Harris County, and the District's Rate Order provisions related to unauthorized plumbing practices. After discussion, the Board concurred to authorize MDS to send written notice to the resident requesting immediate repairs and stating the District will terminate service after five days if repairs are not completed, due to the public health risk from the unauthorized wastewater discharge. Mr. Chapline stated that the issue has already been reported to Harris County.

#### TERMINATION OF SERVICE

The Board next 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 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 Rebecca Comeaux, and Glenda Sharp requested an extension for payment of their delinquent accounts.

Following review and discussion, Director Brown 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 31, 2018, if their utility bills are not paid in accordance with the District's Rate Order, except for Rebecca Comeaux, and Glenda Sharp 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. Sparks presented the engineer's report, a copy of which is attached.

### APPROVE PAY ESTIMATES, CHANGE ORDERS, AND FINAL ACCEPTANCE AND DIRECT ENGINEER TO NOTIFY INSURANCE COMPANY OF NEW FACILITY FOR GROUND STORAGE TANK, HYDRO TANK REHABILITATION AND BOOSTER PUMP REPLACEMENT AT WATER PLANT NO. 1

Mr. Sparks stated that the demolition is complete, and the hydro-pneumatic tank has been installed.

### TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

The Board deferred discussion regarding the rehabilitation of the sanitary sewer system in Cimarron Subdivision, Sections 1 and 2.

### WATER MODELING STUDY

Mr. Sparks reported that BGE has received results from the water modeling study. He stated the study indicated an operational issue at Water Plant No. 3, and BGE and MDS are investigating the issue.

### HARRIS COUNTY PRECINCT 3 EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD, INCLUDING AMENDMENT NO. 1 TO INTERLOCAL AGREEMENT

Ms. Carner presented and reviewed Amendment No. 1 to the Interlocal Agreement ("Amendment No. 1") with Harris County for the Mason Creek trail extension. She stated Harris County has requested Amendment No. 1 to reflect date changes that will extend the commencement and completion dates from June and December of 2019 to March and July of 2020, due to the delay in the County's condemnation of the final parcel.

### CAPITAL IMPROVEMENT PLAN

Mr. Sparks reviewed an updated Capital Improvement Plan, a copy of which is included in the engineer's report.

### OTHER ENGINEERING MATTERS

Mr. Sparks presented and reviewed a report from Chief Solutions from the inspection of the storm sewer manholes located in the District, a copy of which is attached to the engineer's report. He stated the system is not experiencing high levels of silt, and BGE does not recommend any action at this time.

Following review and discussion, Director Cathcart moved to approve the engineer's report and Amendment No. 1 to the Interlocal Agreement with Harris County. Director Cox 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.

REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE  
OFFICE BUILDING

Ms. Johnson stated the District's Sam's Club credit card is not working. She stated she contacted the credit card company, and there is no balance due on the card. Director Goff stated he will contact the bank and then will attempt to use his new District credit card at Sam's Club for supplies for the administrative building.

Ms. Johnson stated the security cameras are in need of repair at the administrative building. She stated the District's maintenance contract with NCS has expired and upon a request for service, NCS provided only an hourly rate of \$95.00. Discussion ensued regarding requests for proposals from other companies for maintenance of the security cameras. After discussion, the Board concurred to authorize ABHR to request security camera maintenance proposals for the February Board meeting.

Ms. Johnson stated she received a request from a resident regarding the use of the great room at the administrative building on two Mondays per month, for the months of February through May and August through December 2018 for Boy Scout meetings. Ms. Johnson stated there was no conflict for the use of the great room for the requested days. After discussion, the Board concurred to approve the request for use of the great room for two Mondays per month, for the months of February through May and August through December of 2018 for Boy Scout meetings.

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

## 2018 DIRECTORS ELECTION

Ms. Carner discussed procedures related to the 2018 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors during the 2018 Directors Election Period. Following review and discussion, Director Cathcart moved to adopt a Resolution Designating an Agent of the Secretary of the Board During the 2018 Directors Election Period appointing Kimberly Cannon as the agent of the Secretary of the Board of Directors to perform the Secretary's duties for 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 Brown 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 2018 Directors Election. Following discussion, Director Cathcart moved to authorize the Secretary's agent to post the notice as required. Director Brown seconded the motion, which was approved by unanimous vote.

Ms. Carner discussed exemptions from using electronic voting systems during the 2018 Directors Election. Following discussion, Director Cathcart 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 2018 Directors Election. Following discussion, Director Cathcart moved to set the pay for election officials at \$15.00 per hour. Director Brown seconded the motion, which was approved by unanimous vote.

Ms. Carner reviewed an Order Calling Directors Election. After review and discussion, Director Cathcart 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 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 review and discussion, Director Cathcart 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. Director Brown seconded the motion, which passed unanimously.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board did not convene in Executive Session.

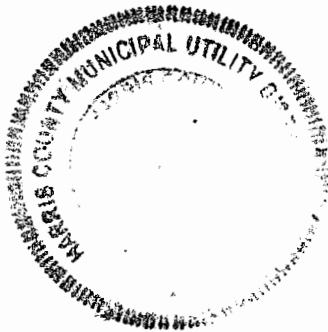
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board did not convene in Executive Session

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

  
Secretary, Board of Directors

(SEAL)





LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
.....	
SPARK Park Nature Trail Signs Proposal .....	1
Tax assessor/collector's report .....	2
SRI quarterly report.....	2
Bookkeeper's report.....	2
Operations report.....	3
Letter from Memorial Parkway Community Association to resident .....	4
Engineer's report.....	5