

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

January 26, 2017

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 26th day of January, 2017, 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 Virginia Goff, a resident of the District; Terry Savage and Gregg Nady, members of the public; Lizandro Campos of Wheeler and Associates, Inc.; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Diane Doyle of McLennan & Associates, L.P. ("McLennan"); Doug Baker and 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 15, 2016, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the December 15, 2016, regular meeting. Director Cox seconded the motion, which carried by unanimous vote.

REQUEST FOR FUNDING HARRIS COUNTY PRECINCT'S EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD, INCLUDING EASEMENT ACQUISITION

Mr. Nady updated the Board on the request for the Harris County extension of the hike and bike trail. He stated Harris County was in the process of drafting the interlocal agreement for the easement acquisition.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Campos 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

2016 taxes are 50.5% collected as of the end of December. After review and discussion, Director Cathcart moved to approve the tax assessor/collector's report and pay the tax bills. Director Cox seconded the motion, which carried by unanimous vote.

BOOKKEEPER'S REPORT

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

Director Goff inquired about the connection count for the West Memorial Sewage Treatment Plant and whether it includes the new apartment building located at 21751 Cimarron Parkway. Mr. Chapline stated the connection count had not yet been updated, and that he would get it corrected.

ANNUAL DISCLOSURE STATEMENTS

Ms. Carner presented the Board with the annual disclosure statements for the Investment Officer and bookkeeper. 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.

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

The Board deferred discussion on this item to the next meeting.

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 90.9% for December 2016.

Mr. Chapline reviewed additional repair and maintenance items performed during the month. He then presented a list of delinquent accounts that are deemed not to be collectible and requested authorization to write off the delinquent accounts and submit same to a collection agency.

Mr. Chapline requested approval to include water conservation flyers in next month's utility bills.

After review and discussion, Director Brown moved to (1) approve the operator's report; (2) write off the delinquent accounts 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; and (3) approve water conservation notices to be included in next month's utility bills. Director Goff seconded the motion, which carried by unanimous vote.

CUSTOMER REQUESTS

Ms. Johnson reviewed a list of customer requests and complaints.

Ms. Johnson stated that Troy Browning requested that the January utility bill for 827 Pickford be prorated for the period of time the account was disconnected due to delinquency in payment and that the \$15 delinquent letter fee be removed from his account. Ms. Carner, Mr. Chapline, and Ms. Johnson reviewed correspondence from the resident regarding his concerns related to the timeliness and accuracy of utility bills and the customer service provided by MDS and the District's office staff. Discussion ensued. The Board directed MDS to respond to all customer requests promptly and professionally. The Board then concurred to deny the requests to (1) prorate the portion of the January utility bill for the time period in which service was disconnected due to delinquency in payment; and (2) remove the \$15 delinquent letter fee.

Mr. Chapline discussed a request from the resident at 1078 Red Rock Canyon for reimbursement of the cost to replace a damaged electrical cable, which the resident believes was damaged by a nearby District repair of a sinkhole. Mr. Chapline stated the resident had not yet submitted documentation of the cost, but upon receipt, he would submit the information to MDS' insurance company.

Ms. Johnson presented a request from the Cimarron Community Improvement Association, Inc., to waive the sewer portion of their utility bill for draining and refilling their pool. Discussion ensued regarding requirements in the District's Amended Rate Order relating to pool drains. The Board concurred to deny the request.

Mr. Chapline presented a request from the resident at 22118 Cimarron Parkway for reimbursement for a repair of a broken water line due to a non-District vehicle accident. The Board concurred to deny the request and to ask MDS to suggest to the resident to contact the resident's insurance company regarding the matter.

Mr. Chapline discussed a complaint from a resident at 21423 Park Tree Drive stating his water has been discolored 3-4 times a month. Mr. Chapline stated MDS flushed the lines, which resolved the discoloration. Following discussion, the Board concurred to have MDS flush the lines once a month.

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 the following individuals requested an extension for payment of their delinquent accounts: Johana Estrada, Elizabeth Gomez, Robert Purcell, and Jennifer Richardson.

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 February 1, 2017, if their utility bills are not paid in accordance with the District's Rate Order, except Johana Estrada, Elizabeth Gomez, Robert Purcell, and Jennifer Richardson, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Goff seconded the motion, which passed unanimously.

ENGINEER'S REPORT

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

GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 1

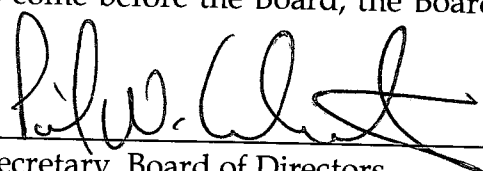
Mr. Baker stated the booster pump will need to be replaced and the hydrotank rehabilitated at an estimated cost of \$1,150,000.00. Discussion ensued regarding the rehabilitation project and funding for same.

GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 4

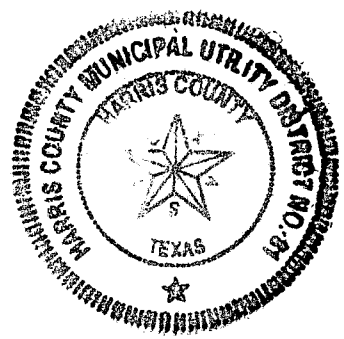
Mr. Baker stated that the final inspection by the Texas Commission on Environmental Quality ("TCEQ") was held on Tuesday, December 20, 2016.

Mr. Baker reviewed and recommended that the Board approve Pay Estimate No. 11 in the amount of \$29,655.00, payable to Schier Construction Company, Inc. ("Schier") for the ground storage tank and hydro tank rehabilitation at Water Plant No. 4, a copy of which is attached to the engineer's report. After discussion, Director Cox moved to approve Pay Estimate No. 11 in the amount of \$29,655.00 payable to Schier, based on the engineer's recommendation. Director Cathcart seconded the motion, which carried by unanimous vote.

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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