

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

February 22, 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 22nd day of February, 2018, 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, Miles Ball, and Michael Sheiman, members of the public; Scott Davis of CDM 360; Mark Veltri of NCS; Sara Ahlschlager of Wheeler and Associates, Inc. ("Wheeler"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Mary Lutz and Karen Sears 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").

2018 DIRECTORS ELECTION

BALLOT DRAWING FOR MAY 5, 2018, DIRECTORS ELECTION

Ms. Carner explained the process for the ballot drawing for the 2018 directors election and stated the ballot drawing will determine the order of candidates' names on the ballot. She stated notice of the ballot drawing was posted and sent to each candidate, as required. Director Cathcart, as the Board's Secretary, and Ms. Cannon, as Secretary's agent, conducted the ballot drawing. Mr. Ball, as representative for director candidate Troy Browning, was offered and accepted the first opportunity to draw. At the direction of the other candidates, Director Cathcart, as the Board's Secretary, drew the remaining names. The order of the candidates' names on the ballot, as determined by the drawing, is as follows:

1. Donna Brown
2. Troy Browning
3. Bruce Cox
4. Patrick Cathcart

Discussion ensued regarding the early voting schedule for the directors election. The Board concurred to schedule early voting hours from 8:00 a.m. to 4:00 p.m., on weekdays, from April 23, 2018 to May 1, 2018.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Ahlschlager reviewed the tax assessor/collector's report for the month of January, a copy of which is attached. She stated the report reflects that the District's 2017 taxes were 91.25% collected as of the end of January. After discussion, Director Cathcart moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Brown seconded the motion, which carried by unanimous vote.

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

APPROVE SALES REVENUE INC. AGREEMENT FOR SALES TAX MONITORING AND WHEELER & ASSOCIATES, INC., AGREEMENT FOR TAX ASSESSOR SERVICES AND COLLECTOR

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

MINUTES

The Board considered approving the minutes of the January 23, 2018, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the January 23, 2018, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE BUILDING INCLUDING PROPOSALS FOR MAINTENANCE OF SECURITY CAMERAS AND EQUIPMENT

Mr. Davis introduced himself and presented and reviewed a proposal from CDM 360 for security camera maintenance in the amount of \$5,100.00 per year / \$425.00 per month, a copy of which is attached. Discussion ensued regarding the proposal and the contract term of one year.

Mr. Veltri introduced himself and presented and reviewed a proposal from NCS for security camera maintenance in the amount of \$4,188.00 per year / \$349.00 per month, a copy of which is attached. Discussion ensued regarding the proposal and the contract term of one year.

Mr. Davis and Mr. Veltri left the meeting.

After discussion, Director Goff moved to approve the one-year security camera maintenance proposal with NCS, in the amount of \$4,188.00 and to authorize execution

of a service agreement with NCS for same. 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. Lutz reviewed each District account and the bills to be paid, as well as a budget to actual comparison.

Ms. Lutz presented two additional checks, including check no. 14317 payable to Grand Water, LLC, for a deposit refund, in the amount of \$66.43, and check no. 1268 payable to DAE Associates for the ground storage tank replacement at water plant no. 1, in the amount of \$3,009.00.

Ms. Carner requested that McLennan continue to provide a detailed report showing the receipts and other documentation for the charges on the District's credit card along with the monthly statement, for the District's records.

Ms. Johnson reported that the Friday of the Association of Water Board Directors ("AWBD") winter conference, the District credit card was declined. The Board discussed the inability to reach McLennan staff to timely assist with the matter. Discussion ensued.

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

DISCUSS AWBD WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT SUMMER CONFERENCE

Discussion ensued regarding the winter AWBD conference in Dallas. After discussion, Director Cathcart moved to approve reimbursement of eligible expenses from the AWBD winter conference and authorize attendance of the directors and office staff at the summer conference. Director Brown seconded the motion, which carried 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 97.0% for January 2018.

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

Mr. Chapline stated that the well motors at water plant nos. 2 and 3 have both been installed, but the well motor at water plant no. 3 is not functioning at full capacity

due to a broken check valve. He requested approval to replace the check valve in the amount of \$18,000.00.

Ms. Carner discussed the additional letter sent to the resident at 722 Park Knoll Lane regarding their missing back fence adjacent to water plant no. 4. Ms. Carner stated she has not received a response from the resident regarding the District's proposal to divide the \$2,282.00 cost evenly between the District and the resident for installation of a six-foot wooden fence on the property line. Discussion ensued regarding the District installing a six-foot chain link fence with barbed wire.

Mr. Chapline reported there were four accounts totaling \$2,952.63, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; (2) approve the replacement of the check valve at water plant no. 3 in the amount of \$18,000.00; (3) write off the four delinquent accounts totaling \$2,952.63, 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 (4) authorize MDS to request a proposal for the installation of a six-foot chain link fence at water plant no. 4 for presentation at the March Board meeting. Director Cox seconded the motion which carried by unanimous vote.

CUSTOMER REQUESTS

Mr. Sheiman requested that the Board consider constructing a bike trail in the Memorial Parkway subdivision in a CenterPoint easement. Ms. Carner stated she has previously been in contact with Mr. Sheiman regarding the requirements and easements/rights-of-way needed for that type of bike trail project. Ms. Carner stated she would resend the information to Mr. Sheiman via email.

Ms. Johnson stated that Deerpark Investments located at 920 South Mason had an underground leak caused by freezing weather and requested a four-month payment arrangement for their \$3,448.50 utility bill. Discussion ensued.

Ms. Carner presented and reviewed correspondence from resident Mr. Troy Browning regarding online payment and other billing and payment matters. Discussion ensued.

Ms. Johnson stated the resident at 20806 Park Bridge Drive stated their payment was mailed on January 15th but was not received by the District until January 22nd. She stated the resident requested a waiver of the late fees and penalties. Discussion ensued.

Following review and discussion, Director Cathcart moved to approve the four-month payment arrangement for Deerpark Investments, and deny the request from the

resident at 20806 Park Bridge Drive for a waiver of the late fees and penalties. Director Cox seconded the motion, which carried by unanimous vote.

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 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 Amber Almond, Robert Purcell, Ernesto Perez, Anastacia Belmares, and Trenese Black 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 February 22, 2018, if their utility bills are not paid in accordance with the District's Rate Order, except for Amber Almond, Robert Purcell, Ernesto Perez, Anastacia Belmares, and Trenese Black 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.

ADOPT AMENDED RATE ORDER

Ms. Johnson stated that MDS performed an audit on the District's Rate Order and may want to recommend changes regarding the deposit amounts for tenants and homeowners to reinstate service following disconnection for delinquencies in payment. After discussion, the Board concurred to defer discussion on the Rate Order to the March Board meeting

AMENDED AND RESTATED EMERGENCY WATER SUPPLY AGREEMENT WITH CIMARRON MUNICIPAL UTILITY DISTRICT

Ms. Carner stated that the Emergency Water Supply Agreement ("Agreement") between the District and Cimarron Municipal Utility District ("Cimarron") has expired. She presented and reviewed an Amended and Restated Emergency Water Supply Agreement with Cimarron to replace the expired agreement. After review and discussion, Director Cathcart moved to approve the Amended and Restated Emergency Water Supply Agreement between the District and Cimarron and direct that the Agreement be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which passed by unanimous vote.

ENGINEER'S REPORT

Mr. Baker 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. Baker 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. Baker 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 working to repair a broken check valve, as discussed under the operator's report.

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

Ms. Carner stated that Harris County has acquired the final parcel for the trail, and an invoice will be sent for the District's share of the construction costs.

CAPITAL IMPROVEMENT PLAN

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

STORM SEWER MANHOLE INSPECTION

Mr. Baker stated that Chief Solutions has inspected the stormwater system in the District. A copy of the report is attached to the engineer's report. He stated the report states the stormwater system is not experiencing high levels of silt, and BGE does not recommend taking any action at this time.

Following review and discussion, Director Cox moved to approve the engineer's report. Director Cathcart seconded the motion, which carried by unanimous vote.

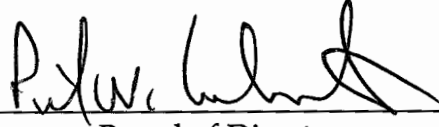
WEST MEMORIAL MUNICIPAL UTILITY DISTRICT ("WEST MEMORIAL") SEWAGE TREATMENT PLANT MEETING AND PROPOSED PLANT IMPROVEMENTS

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

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

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

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