

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

February 23, 2023

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 February 2023, and the roll was called of the members of the Board:

Patrick Cathcart	President
Bruce Cox	Vice President
Michael Olsen	Secretary
George Goff	Treasurer
Donna Brown	Assistant Secretary

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

Also attending the meeting were Bonnie Gillespie and Walt Barbin, residents of the District; Bear Oakley of Acclaim Energy Advisors; Renee Butler of McLennan & Associates, LP; Kate Hallaway and Aaron Orozco of BGE, Inc. ("BGE"); Isabelle Mata of Wheeler & Associates, Inc. ("Wheeler"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Doris Vogt and Stacy Lightsey, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Barbin and Ms. Gillespie inquired about Harris County's drainage improvements project for Cimarron Sections 2, 3, 4 and 5.

MINUTES

The Board considered approving the minutes of the January 26, 2023, regular meeting and the February 9, 2023, special meeting. After discussion, Director Olsen moved to approve the minutes of the January 26, 2023, regular meeting and the February 9, 2023, special meeting. Director Brown seconded the motion, which passed by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Mata reviewed the tax assessor/collector's report for the month of January 2023. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2022 taxes were 86.21% collected as of the end of January.

After discussion, Director Brown moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cox seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed optional exemptions for the 2023 tax year. After discussion, Director Olsen moved to adopt the Resolution Concerning Exemptions from Taxation for 2023, reflecting that the Board grants a general residential homestead exemption of 20% of the appraised value of property, and grants a \$5,000 exemption for residence homesteads of persons over 65 years of age and for disabled persons, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Goff seconded the motion, and the motion passed unanimously.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

The sales tax report was distributed to the Board, a copy of which is attached. The Board deferred discussion on the report to next month's meeting.

REPORT FROM ACCLAIM ENERGY, LTD., INCLUDING REQUEST FOR ACCLAIM ENERGY MANAGEMENT AGREEMENT

Mr. Oakley presented and reviewed a Consulting Agreement between the District and Acclaim. He requested that the Board consider entering into a Consulting Agreement directly with Acclaim, in addition to the agreements the District enters into directly with the applicable electricity company, which specifies the services that Acclaim will provide and the fees that Acclaim will charge for those services. He stated that in the past, there was no agreement between Acclaim and the District; rather, when Acclaim helped the District by securing a contract for electricity with a specific electricity provider, that electricity provider would pay Acclaim based on the electricity used by the District under that electricity agreement. Mr. Oakley reminded the Board that the District did not make any direct payments to Acclaim and during the term of the electricity contracts, Acclaim was available to assist the District in adding additional meters as new facilities came online, transferring ownership of meters, producing annual usage reports, and/or resolving disputes with electricity bills.

Mr. Oakley stated that under the proposed agreement, Acclaim will be paid by the District a flat fee for adding meters, transferring ownership of meters, producing annual usage reports, and resolving disputes with electricity bills, as well as the fees for procuring the electricity contract. Mr. Oakley confirmed that the agreement can be terminated without cause with at least 30 days' advance written notice. Mr. Oakley noted that if the agreement had been in place for the past 3 years, the additional fees would have been approximately \$250.00, based on the District's history of services used.

Mr. Oakley presented and reviewed a Texas Reliability Coalition proposal from Acclaim, a copy of which is attached, and discussed the District's potential participation in an electricity education aggregation. He stated that there is no cost to the District at this time to join the coalition and reported on the processes for the education program.

Following review and discussion, Director Olsen moved to (1) approve the Consulting Agreement with Acclaim and direct that the Agreement be filed and retained appropriately in the District's official records; and (2) defer action on the Texas Reliability Coalition. 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. Butler reviewed each District account and the bills to be paid, as well as a budget to actual comparison.

Ms. Butler noted one correction relating to a transfer to the District's operating account.

Ms. Butler presented one additional check, check no. 2122 in the amount of \$2,525.00, payable to Time and Season Property Management.

After review and discussion, Director Olsen moved to approve the bookkeeper's report with the noted revision and the checks presented for payment, including the one additional check. Director Goff seconded the motion, which passed by unanimous vote.

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

The Board discussed the AWBD winter conference seminars. Ms. Carner stated the AWBD summer conference will be in Corpus Christi, Texas, on June 22-24, 2023. After discussion, the Board concurred to authorize attendance of the directors and office staff at the summer conference.

OPERATOR'S REPORT

Mr. Chapline distributed and reviewed the operator's report, a copy of which is attached. He stated the water accountability for the month is 97%. Mr. Chapline reported on a recent Texas Commission on Environmental Quality inspection, which resulted in zero notices of violation.

DISCUSS CUSTOMER BILLING, SERVICE AGREEMENTS, AND PAYMENT PLANS AND IF APPROPRIATE, ADOPT AMENDED RATE ORDER

Mr. Chapline discussed the customer service duties provided by MDS and duties provided by the District employees at the District administration building, including setting up payment arrangements for delinquent accounts, posting payments on MDS's website, set up of new customer accounts, closing accounts and accepting utility payments. Discussion ensued regarding the duplicated duties currently provided by the District staff. The Board concurred to discontinue the duplicated services related to customer services beginning on Monday as discussed, but still continue to allow residents to drop off payments to the District administration building for MDS to pick up regularly.

UPDATE ON WATER PLANT NO. 1 BOOSTER PUMP NO. 3 PUMP AND MOTOR REPAIRS AND WATER WELL NO. 1 INVESTIGATION

Mr. Chapline updated the Board on booster pump no. 3 pump and motor repairs at water plant no. 1 and stated the repairs are ongoing.

RENEWAL OF EMERGENCY WATER INTERCONNECT AGREEMENT WITH NOTTINGHAM MUNICIPAL UTILITY DISTRICT

Ms. Carner stated the renewal of the Interconnect Agreement is currently being prepared.

After discussion, Director Cox moved to approve the operator's report. Director Olsen seconded the motion, which passed 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. Vogt 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. Ms. Vogt stated that customers Magana, Peavy, Fuentes and Cadden requested an extension for payment of their delinquent accounts. Mr. Chapline stated MDS would monitor the payment arrangements to ensure the terms are met.

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 March 1, 2023, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Magana, Peavy, Fuentes and Cadden and direct that the delinquent customer list be filed appropriately and retained

in the District's official records. Director Olsen seconded the motion, which passed by unanimous vote.

ENGINEER'S REPORT

Ms. Hallaway presented the engineer's report, a copy of which is attached.

MEMORIAL PARKWAY SECTIONS 3, 4, AND 5 SANITARY SEWER LINE REHABILITATION

Ms. Hallaway updated the Board on the cleaning and televising of Memorial Parkway, Sections 3, 4, and 5 sanitary sewer lines and stated the work is ongoing.

PARK YORK FORCE MAIN REPLACEMENT

Ms. Hallaway stated the cost for replacing the force main in its existing location will be approximately \$865,000.00, which includes the surveying and the required bypass pumping. Ms. Hallaway noted the project will take approximately 6-8 months. She stated that BGE is currently working on the design for this project.

HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS, INCLUDING ADDITIONAL DETENTION/MITIGATION

Ms. Hallaway stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway.

Ms. Hallaway stated that Harris County has awarded the contract to R. Construction for the Cimarron Sections 2, 3, 4 and 5 drainage improvements project. She stated the Notice to Proceed was issued on January 16, 2023. Ms. Hallaway reviewed the contractor's schedule for the project, a copy of which is attached to the engineer's report. She stated the contractor is ahead of schedule, so they schedule will be revised before it is posted to the District website.

WATER PLANT NOS. 1, 2 AND 4 GROUND STORAGE TANK ALTERNATE FILL LINE INSTALLATION

Ms. Hallaway stated the contractor for the water plant nos. 1, 2 and 4 ground storage tank fill line installation is Blastco Texas, Inc ("Blastco"). She stated the site work is complete and punch list items are being addressed.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Ms. Hallaway stated CSE W-Industries, Inc. ("CSE") is the contractor for the generator replacement project. She stated the contractor has completed the initial site work and is awaiting the delivery of the generator.

CAPITAL IMPROVMENT PLAN ("CPI")

Ms. Hallaway discussed the CIP, and recommended that the elevated storage tank rehabilitation be moved up to 2024, due to corrosion concerns. Discussion ensued.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway stated BGE is currently finalizing bond application no. 9.

Following review and discussion, Director Brown moved to approve the engineer's report. Director Olsen seconded the motion, which passed by unanimous vote.

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

Director Cox reported on the West Memorial Sewage Treatment Plant.

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

Ms. Vogt stated the electrical outlet has been installed for the repair of the District administration building sprinkler system. She stated that Johnson Controls will repair the sprinkler system on February 28th.

UPDATE ON PARKING LOT PRESSURE WASHING AND RE-STRIPING

Ms. Vogt stated the parking lot no. 2 pressure washing is complete.

She then presented and reviewed a proposal from City Maintenance for additional painting in the parking lot and repair of concrete at the bases of the four light poles in the amount of \$875.00 and \$650.00, respectively. After discussion, Director Cathcart moved to approve the proposals from City Maintenance in the amounts of \$875.00 and \$650.00, respectively, for additional painting and the repair of the four concrete bases for the light poles, as discussed. Director Cox seconded the motion, which carried by unanimous vote.

DISCUSS COMPUTERS AND SECURITY CAMERA EQUIPMENT PROPOSALS

The Board discussed the potential purchase of an additional two computers for the District administration building and reviewed proposals from DELL Technologies. Ms. Vogt stated that one of the computers at the District administration building may be able to be updated to have security camera access. Ms. Vogt then requested approval from the Board for Fisk to assist with upgrading the connection to the security camera computer, if needed. After discussion, Director Brown moved to approve the proposal from Dell Technologies in the amount of \$1,017.54, for the purchase of one desktop computer and to authorize Fisk Electric to assist with the upgrade the computer at the District administration building to access the security camera, if needed. Director Cox seconded the motion, which carried by unanimous vote.

AUTHORIZE PREPARATION OF DISTRICT NEWSLETTER

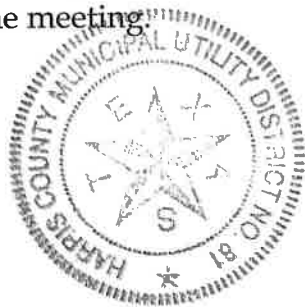
The Board discussed the preparation of the quarterly District newsletter and content of the articles, including the District shred event on April 22nd, drainage improvement project updates and the changes to the District administration building customer service processes. After discussion Director Olsen moved to authorize preparation of the District Newsletter as discussed. Director Cox seconded the motion, which carried by unanimous vote.

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.

(SEAL)





Secretary, Board of Directors

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