

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

February 25, 2021

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 81 (the "District") met in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 25th day of February, 2021, and the roll was called of the members of the Board being present by telephone:

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

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

Also attending the teleconference were Megan Bradley of Triton Consultants; Dave Aitken, Cindy Headley and Jessie Garcia, residents of the District; Mary Lutz of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Kate Hallaway of BGE, Inc. ("BGE"); Ray Arce and Ryan Fortner of Wheeler & Associates, Inc.; Charlie Chapline and Bryan Chapline of Municipal District Services, L.L.C. ("MDS"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon-Griffin of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Carner reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/hcmud81.

PUBLIC COMMENT

Ms. Bradley introduced herself to the Board and discussed the professional services that Triton Consultants can offer, including their emergency alert platform feature.

Mr. Garcia inquired about the material for the water supply lines in the District and discussed instances of brown water from the fire hydrant near his home. Mr. Chapline discussed the District's flushing procedures.

Mr. Aitken introduced himself and stated he is a resident of the District and a commercial property owner. He inquired about the communication methods to contact residents during emergency situations. Director Goff stated the issue would be discussed shortly.

OPERATOR'S REPORT

Director Goff discussed Winter Storm Uri and thanked MDS for their efforts in maintaining the District's facilities. Director Goff noted that the District had a boil water notice and stated that certain surrounding districts did not. He requested that MDS collaborate with BGE to identify areas of improvement at the District facilities to be better prepared for future winter storm events. Mr. Bryan Chapline discussed a timeline of events. He stated overall the District facilities functioned well considering the unprecedented circumstances.

The Board then discussed the efforts made to notify residents of the status of the District's facilities during the winter storm event, including website updates and updates from Director Goff on social media. Ms. Carner discussed the options to communicate via e-mail or text alert notifications. After discussion, the Board concurred to request a proposal from MDS for e-mail and text alert notifications for consideration at the next meeting.

MINUTES

The Board considered approving the minutes of the January 28, 2021, regular meeting and the February 11, 2021, special meeting. After discussion, Director Cox moved to approve the minutes of the January 28, 2021, regular meeting and February 11, 2021, special meeting. Director Olsen seconded the motion. A roll call of the Board was taken and the motion passed by unanimous vote, with all directors voting "yea."

TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce reviewed the tax assessor/collector's report for the month of January, 2021, a copy of which is attached. He stated the report reflects that the District's 2020 taxes were 90.38% 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. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Mr. Fortner distributed and reviewed the Business Sales Tax Report, a copy of which is attached.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed optional exemptions for the 2021 tax year. After discussion, Director Olsen moved to adopt the Resolution Concerning Exemptions from Taxation

for 2021, 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 Brown seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

APPROVE FIRST QUARTER DISTRICT NEWSLETTER

Ms. Carner presented and reviewed a draft of the first quarter 2021 District newsletter, a copy of which is attached. Discussion ensued regarding additional topics added to the newsletter. After discussion, Director Cox moved to approve the draft newsletter, as revised, and authorize distribution of same. Director Cathcart seconded the motion, which carried by unanimous vote, following a roll call 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. After discussion, Director Brown moved to approve the bookkeeper's report and the checks presented for payment. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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

The Board noted that no one attended the AWBD winter conference. Ms. Carner stated the AWBD summer conference will be in San Antonio, Texas, on June 17-20, 2021. After discussion, Director Brown moved to authorize attendance of the directors and office staff at the summer conference. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

OPERATOR'S REPORT (CONT'D)

Mr. Charlie Chapline distributed and reviewed a written operator's report, a copy of which is attached.

Mr. Charlie Chapline reported that meter reading was impacted by Winter Storm Uri, and the bills to be mailed next week would be based on a four-month average of the customer's usage and would not include usage from the days affected by the Winter Storm. The Board requested that MDS prepare a notice to be included in the bills and posted to the District website.

After discussion, Director Brown moved to approve the operator's report. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

LEAK ADJUSTMENT POLICY RELATED TO WINTER STORM URI

The Board then considered adopting a Resolution Adopting Policy and Procedures for February 2021 Freeze Event Leak Adjustment Credits ("Freeze Event Resolution"). Ms. Carner emphasized that the proposed Freeze Event Resolution is for the one-time event and not an ongoing leak adjustment policy for the District's customers. The Board also discussed including a message related to leak adjustment credits in customer's upcoming bills, on the District website, and in the current newsletter.

After discussion, Director Olsen moved to adopt the Resolution Adopting Policy and Procedures for February 2021 Freeze Event Leak Adjustment Credits. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

TERMINATION OF SERVICE

The Board next considered termination of utility service to delinquent accounts.

Ms. Carner reported that the Texas Public Utility Commission ("PUC") adopted an order restricting retail public utilities from terminating service for nonpayment and/or charging penalties and interest for late payments, as a result of the recent winter freeze event (the "Order"). She stated that the Order does not apply directly to municipal utility districts ("MUDs"), but the PUC and Harris County have requested MUDs voluntarily comply with the Order.

After review and discussion, Director Olsen moved to suspend termination of utility service for customers on the termination list and the assessment of any penalty and interest charges for late payment for the current month. Director Cathcart seconded the motion, which passed by unanimous vote, following a roll call vote.

ENGINEER'S REPORT

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

MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER LINE REHABILITATION

Mr. Baker stated the District received 5 bids for this project. He recommended that the Board accept the lowest qualified bid in the amount of \$705,664.10 submitted by Texas Pride Utilities. The Board determined that Texas Pride Utilities is a responsible bidder who would be most advantageous to the

District and would result in the best and most economical completion of the project on behalf of the District.

REPORT ON HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS

Mr. Baker stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway and Cimarron Sections 2, 3, 4 and 5. He stated design of both projects is underway.

Mr. Baker stated that Harris County has redefined the Memorial Parkway project. He stated the project will include additional detention mitigation volume.

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

Mr. Baker stated that BGE has submitted the design plans to the Texas Commission on Environmental Quality.

DISINFECTION SYSTEM UPGRADES AT WATER PLANT NOS. 1, 2, 3 AND 4

Mr. Baker stated that BGE has submitted the design plans to the Texas Commission on Environmental Quality.

CAPITAL IMPROVEMENT PLAN

Mr. Baker reviewed an updated capital improvement plan, a copy of which is attached to the engineer's report.

DISCUSS POTENTIAL POCKET PARK NEAR MASON CREEK HIKE AND BIKE TRAIL

There was no discussion on this matter.

RISK AND RESILIENCE ASSESSMENT

Mr. Baker stated that BGE has begun preparation of the Risk and Resilience Assessment.

OTHER ENGINEERING ITEMS

Mr. Baker stated that BGE has received a capacity request for a 1.1-acre commercial property tract for 20 equivalent single-family connections. After discussion, the Board concurred to authorize BGE to issue a response granting the capacity request.

Mr. Baker reported on performance of the District's facilities during Winter Storm Uri, and proposed improvements to same. He stated BGE would work with MDS to provide a complete list of recommendations in the coming months.

Following review and discussion and based on the engineer's recommendation, Director Cox moved to (1) approve the engineer's report; and (2) approve award the contract for Memorial Parkway Sections 1 and 2 Sanitary Sewer Line Rehabilitation, in the amount of \$705,664.10, subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Olsen seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

2021 BOND ELECTION

AUTHORIZE PREPARATION AND POSTING OF VOTER INFORMATION DOCUMENT

Ms. Carner discussed that a Voter Information Document is required to be prepared and posted for the 2021 Bond Election. She stated the document is being prepared and will be presented next month.

AUTHORIZE POSTING OF EARLY VOTING ROSTER

Ms. Carner discussed that early voting rosters must be posted during the early voting period for the 2021 Bond Election. The Board did not take action.

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 AND EMPLOYMENT MATTERS

Ms. Johnson updated the Board on the information regarding potential modifications to the security cameras. She stated the existing Internet service may not be needed to view the camera recordings, however to view the recordings they will have to be seen at the original recording location. Ms. Johnson discussed a proposal in the amount of \$4,670.00 from Fisk Electric for camera equipment modifications to operate the cameras without Internet access. The Board did not take action.

Ms. Johnson stated the air conditioning compressor in the attic has failed at the District administration building. She stated a proposal has been received from True Fix

A/C and Heating in the amount of \$18,863.00 to replace the unit. She discussed another proposal from Polar Express AC and Heating, in the amount of \$8,900.00 for the repair of the current unit. Discussion ensued. Copies of the proposals are attached. The Board did not take action.

Mr. Aitken then offered to submit a proposal to repair the air conditioning unit for consideration at the next Board meeting. After discussion, the Board concurred to authorize Ms. Johnson to solicit an additional proposal from Mr. Aitken.

Ms. Carner discussed a proposal from Best Trash, LLC ("Best Trash") for debris removal related to the Winter Storm Uri, a copy of which is attached. After discussion, Director Cox moved to approve the proposal from Best Trash in the amount of \$1,500.00 per load for debris removal, with the dates of the removal to be determined by Director Goff and Best Trash. Director Olsen seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea." The Board requested that ABHR include information about the storm debris removal on the District website.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

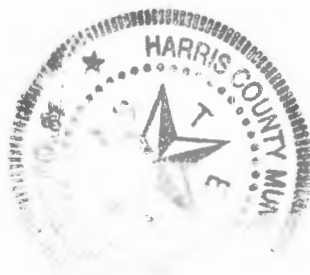
Ms. Carner discussed the WHCRWA and their response to the Winter Storm, including pending consideration of their own leak adjustment policy.

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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