

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

February 27, 2020

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 27th day of February, 2020, and the roll was called of the members of the Board:

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, Carole Menninger, and Michael Olsen, members of the public; Megan Bradley of Triton Consulting; Ryan Fortner of Wheeler & Associates, Inc.; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Mary Lutz of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Kate Hallaway of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Ms. Bradley introduced herself to the Board. She then discussed the communication services that Triton Consulting can provide in relation to the May 2020 Bond Election.

MINUTES

The Board considered approving the minutes of the January 23, 2020, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the January 23, 2020, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

2020 DIRECTORS ELECTION

BALLOT DRAWING FOR MAY 2, 2020, DIRECTORS ELECTION

Ms. Carner explained the process for the ballot drawing for the 2020 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. Ms. Carner, as the District's attorney, and Ms. Cannon, as Secretary's agent, conducted the ballot drawing. Mr. Olsen was offered and accepted the first opportunity to draw. Director Goff, as the Board's Vice President, drew the remaining names. The order of the candidates' names on the ballot, as determined by the drawing, is as follows:

1. Michael A. Olsen
2. George Goff
3. John Savage

TAX ASSESSOR/COLLECTOR REPORT

Mr. Fortner reviewed the tax assessor/collector's report for the month of January, a copy of which is attached. He stated the report reflects that the District's 2019 taxes were 91.9% collected as of the end of January. After discussion, Director Goff 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 distributed and reviewed the delinquent tax report, a copy of which is attached to the tax assessor's report.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed optional exemptions for the 2020 tax year. After discussion, Director Goff moved to adopt the Resolution Concerning Exemptions from Taxation for 2020, 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 directed that the Resolution be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed by unanimous vote.

2020 BOND ELECTION

The Board discussed hosting an open house at the District's administration building to discuss the 2020 Bond Election. After discussion, the Board concurred to host an open house on either March 24th or 25th, 2020, to discuss the Bond Election, authorize MDS to prepare post card mailers to be mailed to residents, notify the Cimarron and Memorial Parkway homeowners associations for email blasts, and post the information on the District's website.

AUTHORIZE NOTICE AND WRIT OF ELECTION

Ms. Carner discussed procedures related to the 2020 Bond Election. She discussed that a Notice and Writ of Election is required to be provided to the election officials for the 2020 Bond Election. Following review and discussion,

Director Brown moved to authorize the Secretary's agent to provide the Notice and Writ of Election to the election officials for the 2020 Bond Election and to direct that the Notice be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed unanimously.

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 2020 Bond Election. She presented and reviewed a draft Voter Information Document containing information and data prepared by the District's financial advisor. Following review and discussion, Director Brown moved to approve and authorize posting of the Voter Information Document and direct that the Voter Information Document be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed unanimously.

AUTHORIZE POSTING OF EARLY VOTING ROSTER

Ms. Carner discussed that early voting rosters must be posted during the early voting period for the 2020 Bond Election. Following review and discussion, Director Brown moved to authorize posting of the early voting rosters during the early voting period for the 2020 Bond Election, as required, and to direct that the rosters be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed unanimously.

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.

Ms. Lutz presented two additional checks, including check no. 15989 in the amount of \$685.00, payable to City Maintenance and check no. 15990 in the amount of \$1,427.50, payable to DAE & Associates, LTD.

After discussion, Director Cathcart moved to approve the bookkeeper's report and the checks presented for payment, including the additional checks. Director Cox 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 95% for January 2020.

Mr. Chapline reported there was one account totaling \$119.91 deemed to be uncollectible and requested authorization to write off said account and turn it over to a collection agency.

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

Mr. Chapline noted there is an ongoing leak on the customer's private line at 21236 Park Run. He stated that MDS has notified the resident regarding the leak multiple times by door hanger and will send a letter via mail as well.

CUSTOMER REQUESTS

There were no customer requests.

REPORT ON REVIEW AND PROPOSED ABANDONMENT OF INTERCONNECTS

There was no discussion on this matter.

UPDATE ON REIMBURSEMENT FOR PICKFORD SANITARY SEWER LINE REPAIRS

Ms. Carner stated that the Cimarron Community Improvement Association ("Cimarron HOA") insurance carrier has agreed to take responsibility for the pool grout in the District's sanitary sewer lines and to pay the full amount of the District's request in the amount of \$2,849.85. She presented and reviewed a release ("Release") required by the Cimarron HOA's insurance carrier prior to their issuance of payment.

After review and discussion, Director Goff moved to (1) approve the operator's report; (2) write off one delinquent account totaling \$119.19 which is 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 and authorize execution of the Release and direct that the Release be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which carried 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. 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 customers Montgomery, Molinas, Martin, Astrada and Pazo requested an extension for payment of their delinquent accounts.

Following review and discussion, Director Cathcart 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 3, 2020, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Montgomery, Molinas, Martin, Astrada and Pazo 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. Baker presented the engineer's report, a copy of which is attached.

WATER PLANT NO. 4 NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT

Mr. Baker stated the contractor for the natural gas generator and MCC replacement at water plant no. 4 is McDonald. He stated the total project amount is \$778,469.00. Mr. Baker then reviewed and requested approval of Pay Estimate No. 2 in the amount of \$51,435.00.

DRINKING WATER QUALITY, INCLUDING WATER PLANT NO. 4 WATER WELL NO. 4 PROFILING AND PROPOSALS FOR REPAIR

Mr. Baker stated that C & C Water Services, LLC. ("C & C") is the contractor for the water plant water well no. 4 televising and profiling. He stated the total project amount is \$204,359.00.

Mr. Baker stated that after televising the well it showed three screens are plugged off and sampling results are showing high levels of arsenic. He recommended that the 3 screens be cleaned and sampled for an amount of approximately \$19,000.00.

TELEVISIONING OF MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER

Mr. Baker stated Chief Solutions, Inc. ("CS") is the contractor for this project. He stated the total project amount is \$50,549.70 and Chief Solutions has mobilized to begin the work.

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

Ms. Carner stated that Harris County's construction of the hike and bike trail extension is in process.

OTHER ENGINEERING MATTERS, INCLUDING MANHOLE INSPECTION

Mr. Baker stated the contracts for the manhole inspection have been processed.

CAPITAL IMPROVEMENT PLAN

Mr. Baker distributed and reviewed an updated capital improvement plan ("CIP"), a copy of which is attached to the engineer's report.

BOND APPLICATION NO. 8

Mr. Baker stated BGE has received a letter from the Texas Commission on Environmental Quality stating bond application no. 8 is administratively complete.

Following review and discussion, and based upon the engineer's recommendation, Director Cox moved to (1) approve the engineer's report; (2) authorize cleaning and resampling of the three screens for an estimated amount of \$19,000.00 at water well no. 4; and (3) approve Pay Estimate No. 2 in the amount of \$51,435.00, payable to McDonald. 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.

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

UPDATE ON SITE DRAINAGE IMPROVEMENTS

Mr. Chapline updated the Board on the status of the drainage improvements. The Board discussed landscaping around the District's administration building and concurred to request solicitation of bids for landscaping improvements.

SECURITY CAMERA EQUIPMENT MAINTENANCE, INCLUDING PROPOSALS AND RELATED SERVICE AGREEMENT

Ms. Carner distributed and reviewed a proposal and associated service agreement with NCS for security camera equipment maintenance for a one-year term. She discussed three options for services, including flat rate charges and time and material charges.

Ms. Johnson stated that the fax machine in the office is not functioning. She stated UBTECHPROS provided a verbal quote of \$95.00 per hour with approximately four to five hours needed to organize and replace malfunctioning wires for repair of the fax machine.

After discussion, Director Cox moved to (1) approve the repair of the fax machine by UBTECHPROS at a rate of \$95.00 per hour; and (2) approve the proposal authorize execution of a service agreement with NCS for security camera equipment maintenance for a one-year term, based on time and materials. Director Cathcart seconded the motion, which carried by unanimous vote.

APPROVE PROPOSAL FOR HIKE AND BIKE TRAIL SIGNS

There was no discussion on this matter.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

There was no discussion on this matter.

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

The Board noted that no one attended the AWBD winter conference. Ms. Carner stated the AWBD summer conference will be in Grapevine, Texas, on June 11-14, 2020. After discussion, Director Cathcart moved to authorize attendance of the directors and office staff at the summer conference. Director Brown seconded the motion, which carried by unanimous vote.

AUTHORIZE PREPARATION OF QUARTERLY DISTRICT NEWSLETTER

The Board discussed the preparation of the quarterly District newsletter and content of the articles. After discussion, Director Cathcart moved to authorize preparation of the District newsletter. Director Brown seconded the motion, which carried by unanimous vote.

DISCUSS AMERICA'S WATER INFRASTRUCTURE ACT OF 2018

Ms. Carner discussed certain requirements of the America's Water Infrastructure Act of 2018 (the "Act") requiring community water systems that serve a population of

3,301 or more to certify to the Environmental Protection Agency that the system has completed a Risk and Resilience Assessment and created an Emergency Plan. She then presented and reviewed a memorandum regarding the Act, a copy of which is attached. She reported the District's operator in coordination with the engineer, will confirm that the District meets the community water system service population threshold as defined in the Act and will need to make the discussed certifications by the required Act deadlines. After discussion, the Board concurred to defer action until January, 2021.

2020 DIRECTORS ELECTION (CONTINUED)

AUTHORIZE NOTICE AND WRIT OF ELECTION

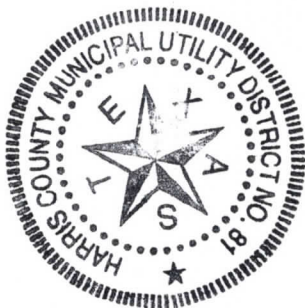
Ms. Carner reviewed the Notice and Writ of Election for the 2020 Directors Election. Following review and discussion, Director Brown moved to approve the Notice and Writ of Election for the 2020 Directors Election. Director Cox seconded the motion, which passed unanimously.

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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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