

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

February 27, 2025

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 2025, 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: Renee Butler of McLennan & Associates, LP; Katherine Hallaway of BGE, Inc. (“BGE”); Isabel Mata of Wheeler & Associates, Inc. (“Wheeler”); Charlie Chapline of Municipal District Services, LLC (“MDS”); Stacy Lightsey, District employee; and Teshia Judkins and Kim Cannon of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

Director Cathcart reminded the Board that the District’s spring shred event is scheduled for April 12, 2025, from 9:00 a.m. to noon, at the District’s administration building.

MINUTES

The Board considered approving the minutes of the January 23, 2025, regular meeting. After discussion, Director Brown moved to approve the minutes of the January 23, 2025, regular meeting. Director Olsen 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 2025. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District’s 2024 taxes were 88.62% collected as of the end of January.

Ms. Mata next reviewed a report from the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), a copy of which is attached to the tax report.

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

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed optional exemptions for the 2025 tax year. After discussion, Director Olsen moved to adopt the Resolution Concerning Exemptions from Taxation for 2025, reflecting that the Board grants a general residential homestead exemption of 20% of the appraised value of property, and grants a \$10,000.00 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, and the motion passed unanimously.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

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 discussed the AWBD winter conference sessions. Ms. Judkins stated the AWBD summer conference will be in San Antonio, Texas, on June 12-14, 2025. After discussion, Director Olsen moved to authorize attendance of the directors and office staff at the summer conference. Director Brown seconded the motion, and the motion passed unanimously.

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 also presented one additional, replacement check, check no. 3595 in the amount of \$190,234.40, payable to Champion Cleaning Specialists, Inc. for Pay Estimate No. 1 for the sanitary sewer rehabilitation project on Memorial Parkway, Sections 3, 4 and 5. She confirmed that payment has been stopped on the previous check that was issued for this amount.

After review and discussion, Director Olsen moved to approve the bookkeeper's report, and the additional check presented for payment. Director Brown seconded the motion, which passed by unanimous vote.

ACCEPT ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

Ms. Judkins discussed with the Board the annual disclosure statements for the Investment Officer/bookkeeper. She stated that the disclosures must be filed with the Texas Ethics Commission. After review and discussion, Director Brown moved to approve the disclosure statements and to authorize filing of same with the Texas Ethics Commission. Director Olsen seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

There was no discussion on this matter.

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 78.7%. Mr. Chapline discussed the lower than usual accountability and noted that MDS has investigated several interconnects and confirmed that they were all closed. He stated there were multiple leaks that have been repaired, and MDS will continue to monitor accountability over the next couple of weeks. Discussion ensued, including discussion of Mr. Chapline's recommendation to perform leak detection testing if the water accountability remains low. Mr. Chapline stated the estimated cost for leak detection testing is \$10,000.00.

Mr. Chapline requested authorization to forward four delinquent accounts to collections, totaling \$1,014.60.

Ms. Judkins noted the District and its consultants have received multiple correspondence that suggest at least two claims have been filed by residents with their insurance companies asserting the flushing of a fire hydrant caused damages. Discussion ensued.

LIFT STATION GENERATOR PROPOSALS

There was no discussion on this matter.

SANITARY SEWER LINE(S) NEAR KENLAKE DRIVE AND DRAFT AGREEMENT WITH CORNERSTONES MUNICIPAL UTILITY DISTRICT ("CORNERSTONES") REGARDING SAME

Ms. Judkins discussed a draft agreement between the District and Cornerstones regarding the sanitary sewer line on Kenlake Drive, noting a draft of the agreement has been provided to the District's operator and engineer and comments have been incorporated.

EVALUATION OF DISTRICT'S INTERCONNECTS AND RELATED RECOMMENDATIONS

Mr. Chapline stated this matter is not yet ready for discussion.

After discussion, and as recommended by the operator, Director Olsen moved to: (1) approve the operator's report; (2) authorize MDS to forward the four delinquent accounts totaling \$1,014.60 to collections; and (3) authorize MDS to perform leak detection testing in an amount not to exceed \$10,000.00 if the water accountability remains low. Director Cox seconded the motion, which passed by unanimous vote.

TERMINATION OF SERVICE

The Board conducted a hearing regarding the termination of water and sewer services. Mr. Chapline presented to the Board a list of delinquent customers. He 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.

Following review and discussion, Director Olsen 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, if their utility bills are not paid in accordance with the District's Rate Order, 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 by unanimous vote.

ENGINEER'S REPORT

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

CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Hallaway discussed the list of CIP projects for 2025, including the estimated total cost and the estimated cost to be paid during the current year for each project.

PARK YORK FORCE MAIN REPLACEMENT, INCLUDING ON EASEMENT ACQUISITION

Ms. Hallaway stated that the design plans for the Park York Force Main Replacement project have been submitted to Harry County for review. Ms. Judkins updated the Board on the status of the acquisition of easements required for this project, stating the District's consultant that is assisting with this acquisition has sent initial letters to each of the applicable property owners and is preparing the initial offer letters that will be sent to each of these property owners.

WATER PLANT NO. 3 ELEVATED STORAGE TANK REHABILITATION

Ms. Hallaway discussed the Water Plant No. 3 elevated storage tank rehabilitation project and stated BGE has completed the survey for the project and plan production is at about 50% complete.

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. She stated that Harris County is coordinating with the US Army Corps of Engineers for their acceptance of the proposed design.

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

Ms. Hallaway updated the Board on the work being performed by the contractor, Champion Cleaning Specialists ("CCS"), for the sanitary sewer rehabilitation for Memorial Parkway, Sections 3-5.

SANITARY SEWER REHABILITATION FOR CIMARRON SUBDIVISION, SECTIONS 1, 2, AND 3 AND MEMORIAL PARKWAY, SECTIONS 6, 7, AND 8

Ms. Hallaway stated design for the sanitary sewer line rehabilitation project for Cimarron subdivision, Sections 1-3 and Memorial Parkway, Sections 6-8 has begun.

SANITARY SEWER TELEVISIONING AND CLEANING FOR CIMARRON SUBDIVISION, SECTIONS 4, 5 AND 6, MEMORIAL PARKWAY, SECTIONS 9, 11, AND 13, AND SILVERSTONE, SECTION 1

Ms. Hallaway stated that the preparation of plans for the cleaning and televising of the sanitary sewer lines for Cimarron subdivision, Sections 4-6, Memorial Parkway, Sections 9-11, and 13, and Silverstone Section 1 has begun.

SANITARY SEWER REHABILITATION ALONG KENLAKE DRIVE

Ms. Hallaway discussed the Kenlake sanitary sewer rehabilitation project to reline the pipe. She stated the line has been surveyed and the design plans have been submitted to Harris County and Harris County Flood Control District for review.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway updated the Board on the status of bond application no. 9 and stated BGE is revising the draft bond application based upon comments provided by District consultants.

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

REPORT ON WEST MEMORIAL MUNICIPAL UTILITY DISTRICT SEWAGE TREATMENT PLANT (THE "WEST MEMORIAL STP") MEETING

The Board reviewed the West Memorial STP meeting report, a copy of which is attached.

OPERATION, REPAIR, MAINTENANCE AND RENTAL OF ADMINISTRATIVE OFFICE AND DISTRICT WEBSITE, COMMUNICATION, AND EMPLOYMENT MATTERS, AND RELATED AGREEMENTS AND PROPOSALS

Ms. Lightsey reported that the great room repairs and awning repairs have been completed.

Ms. Lightsey then stated the pole and chain for the driveway to the parking lot across the street from the administration building have been damaged again. The Board discussed options to replace the chain and poles, including a brighter color plastic chain with signage or an iron gate option. After discussion, the Board concurred to authorize Ms. Lightsey to solicit proposals for a replacement chain that is plastic and bright in color with signage for review at the next meeting.

UPDATE ON ADMINISTRATION BUILDING UPGRADES AND REPAIRS,
INCLUDING GREAT ROOM REPAIRS

Ms. Lightsey updated the Board on the schedule for the great room repairs and stated the repairs are complete.

AUTHORIZE PREPARATION OF QUARTERLY DISTRICT NEWSLETTER

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

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

CONVENE EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board convened in Executive Session at 6:43 p.m. In addition to the Board, only Ms. Judkins and Ms. Cannon were present.

RECONVENE OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in Open Session at 6:55 p.m. Director Olsen moved to increase Stacy Lightsey's hourly compensation beginning January 1, 2025, as discussed. Director Goff 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

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