

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

February 28, 2019

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 28th day of February, 2019, 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 and Virginia Goff, members of the public; Ryan Fortner of Wheeler and Associates, Inc. ("Wheeler"); 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").

MINUTES

The Board considered approving the minutes of the January 24, 2019, regular meeting. After discussion, Director Cox moved to approve the minutes of the January 24, 2019, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed optional exemptions for the 2019 tax year. After discussion, Director Goff moved to adopt the Resolution Concerning Exemptions from Taxation for 2019, 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.

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 2018 taxes were 93.4% collected as of the end of January. After discussion, Director Cox 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.

Mr. Fortner presented the SRI quarterly report on businesses paying sales tax in the District, a copy of which is attached.

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

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 Cathcart moved to approve the bookkeepers 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 Austin. 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 93.2% for January 2019.

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

Mr. Chapline reported there were four accounts totaling \$317.12, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

RED ROCK CANYON STORM SEWER AND SANITARY SEWER LINES

Mr. Baker stated that BGE has confirmed that Harris County will be replacing portions of the street adjacent to the storm sewers in the next few weeks, but noted that some resident driveway aprons may need adjustment or replacement.

Mr. Baker stated the sidewalk repair at the southwest corner adjacent to the District's sanitary sewer line has been completed by MDS.

After review and discussion, Director Cathcart moved to approve the operator's report and write off the four delinquent accounts totaling \$317.12, which 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. Director Cox seconded the motion, which carried by unanimous vote.

CUSTOMER REQUESTS

There were no customer requests.

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 Abrams and Widaski 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 5, 2019, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Abrams and Widaski and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which passed unanimously.

ENGINEER'S REPORT

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

APPROVE PLANS AND SPECIFICATIONS FOR NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT AT WATER PLANT NO. 4

Mr. Baker stated that BGE is preparing construction plans and specifications for the replacement of the natural gas generator and MCC at water plant no. 4.

Mr. Baker discussed the potential relocation of auxiliary fuel tank at water plant no. 4 to water plant no. 2. Discussion ensued.

DISCUSS POTENTIAL REPLACEMENT OF WATER LINE DISTRIBUTION SYSTEM

Mr. Baker presented and reviewed a scheduled summary, indicating prioritized sections for the replacement of the water line distribution system in the District. He stated the estimated cost is \$9,770,658.00. Mr. Chapline discussed the repair costs for the existing facilities. After discussion the Board concurred not to proceed with the replacement of the water line distribution system at this time.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR PARK BEND AND STRAWBERRY PARK STORM SEWER INLET IMPROVEMENTS

Mr. Baker stated that RJ&M Utility Construction is the contractor for the Park Bend Drive storm sewer inlet rehabilitation project. He stated the total amount for the project is \$112,096.00. He stated the contracts are currently being processed and a preconstruction meeting has been scheduled.

TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

There was no discussion on this matter.

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

There was no discussion on this matter.

CAPITAL IMPROVEMENT PLAN

Mr. Baker distributed and reviewed an updated capital improvement plan ("CIP"). Discussion ensued.

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

BOND APPLICATION NO. 8, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECT AND BONDS AND OTHER ENGINEERING MATTERS

There was no discussion on this matter.

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, INCLUDING PROPOSAL FOR SANITARY SEWER LINE REHABILITATION, AND, IF APPROPRIATE, APPROVE RELATED SERVICE AGREEMENT, REPLACEMENT OF ELECTRONIC DOOR LOCK, WALLPAPER REMOVAL, FLOOR REFINISHING, DOOR REFINISHING, AND KITCHEN CLOSET SHELF INSTALLATION AND EXTERIOR PAINTING

Mr. Baker discussed the sewer lines under the administration building and results of the video survey. He stated the internal surfaces of the sewer lines are pitted and the lines have developed multiple sags.

Mr. Baker then discussed a previous proposal from Katy Plumbing in the amount of \$101,110.00, for the rehabilitation of the sanitary sewer line at the District administration building and recommended approval of same. Mr. Baker also discussed the need for a confined space entry program for tunneling beneath the administration building and stated the additional cost is approximately \$5,000.00. Ms. Carner presented a Service agreement related to the work. Discussion ensued.

Mr. Baker discussed the Traptex Plumbing Protection System for the installation of toilet guards to help prevent sewer line blockages at the District administration building. He stated that Traptex provided a sample unit, but additional parts are needed for installation and cleaning of same. He stated Traptex agreed to send the additional equipment.

Discussion ensued regarding additional required maintenance at the District administration building, including interior and exterior painting and door refinishing. Mr. Baker presented and reviewed a proposal from City Maintenance in an amount not to exceed \$75,000.00 for interior and exterior improvements. Discussion ensued regarding the time frame for the repairs and potential interference with previously scheduled events at the District administration building.

Ms. Carner distributed and reviewed a proposal from NCS for security camera equipment maintenance for a one year term and a related Service Agreement for same. She discussed 3 options for services, including flat rate charges or time and material charges.

After discussion, Director Cox moved to (1) approve the Service Agreement with Katy Plumbing, the proposal in the amount of \$101,110.00, and an amount not to exceed \$5,000 for the required confined space entry program development the work; and (2) approve the Service Agreement with NCS for security camera equipment maintenance based on time and materials. Director Cathcart seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

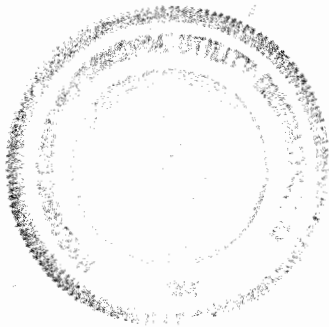
There was no discussion on this item.

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

	Minutes
	<u>Page</u>
Tax assessor/collector's report	2
SRI quarterly report.....	2
Bookkeeper's report.....	2
Operations report.....	2
Engineer's report.....	3