

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

March 22, 2018

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 22nd day of March, 2018, 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, Troy Browning and Vincent Lutz, members of the public; Ryan Fortner of Wheeler and Associates, Inc. ("Wheeler"); Charlie Chapline and Rebecca Marcucci of Municipal District Services, L.L.C. ("MDS"); Mary Lutz and Karen Sears of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Daniel Sparks of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

2018 DIRECTORS ELECTION

AUTHORIZE NOTICE AND WRIT OF ELECTION

Ms. Carner reviewed the Notice and Writ of Election for the 2018 Directors Election. Following review and discussion, Director Goff moved to approve the Notice and Writ of Election for the 2018 Directors Election. Director Cox seconded the motion, which passed unanimously.

MINUTES

The Board considered approving the minutes of the February 22, 2018, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the February 22, 2018, regular meeting. Director Cox seconded the motion, which carried by unanimous vote.

## TAX ASSESSOR/COLLECTOR REPORT

Mr. Fortner reviewed the tax assessor/collector's report for the month of February, a copy of which is attached. He stated the report reflects that the District's 2017 taxes were 95.02% collected as of the end of February. 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 carried by unanimous vote.

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

## APPROVE SALES REVENUE INC. AGREEMENT FOR SALES TAX MONITORING AND WHEELER & ASSOCIATES, INC., AGREEMENT FOR TAX ASSESSOR SERVICES AND COLLECTOR

Mr. Fortner presented and reviewed a Sales Revenue Inc. Agreement for Sales Tax Monitoring and an Agreement for Tax Assessor Services and Collector, (the "Agreements"). After discussion, Director Cathcart moved to approve the Agreements and direct that the Agreements be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which carried by unanimous vote.

## ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board discussed optional exemptions for the 2018 tax year. After discussion, Director Goff moved to adopt the Resolution Concerning Exemptions from Taxation for 2018, reflecting that the Board rejects any exemption for travel trailers from ad valorem taxation, 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 Cox seconded the motion, which passed by unanimous vote.

## BOOKKEEPER'S REPORT

The Board received 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. 14381 payable to BGE for engineering services, in the amount of \$6,575.18, and check no. 1272 payable to Nunn Constructors for Pay Estimate No. 4 for the ground storage tank replacement at water plant no. 1, in the amount of \$186,912.00.

After discussion, Director Goff moved to approve the bookkeeper's report and the checks presented for payment. Director Cox seconded the motion, which carried by unanimous vote.

## REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE BUILDING

Ms. Johnson discussed the air conditioning unit at the District building and stated a service call may be required. Discussion ensued regarding the temperature throughout the District building.

Mr. Chapline discussed the upgrade and replacement options for Ms. Johnson's and Ms. Vogt's desktop computers at the District administration building. He stated Ms. Johnson's computer cannot be upgraded to Windows 10 software and therefore recommended replacement of the desktop computer, in the amount of \$2,100.00. He stated Ms. Vogt's computer can be upgraded to Windows 10, and recommended the upgrade, in the amount of \$375.00.

After discussion, Director Goff moved to (1) approve the request for a service call for the air conditioner repair; (2) approve the replacement of Ms. Johnson's computer in the amount of \$2,100.00; and (3) approve the upgrade to Ms. Vogt's computer with Windows 10 software in the amount of \$375.00. 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 96.5% for February 2018.

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

Mr. Chapline reported there were four accounts totaling \$771.16, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency. Ms. Carner discussed the additional letter sent to the resident at 722 Park Knoll Lane regarding their missing back fence adjacent to water plant no. 4. Ms. Carner stated she has not received a response from the resident regarding the District's proposal to divide the cost evenly between the District and the resident for installation of a six-foot wooden fence on the property line.

Mr. Chapline reviewed a proposal for installation of a six-foot chain link fence with barbed wire at water plant no. 4 in the amount of \$1,500.00. Discussion ensued.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; (2) write off the four delinquent accounts totaling \$771.16, that 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; and (3) approve the proposal for the installation of a six-foot chain link fence with barbed wire at water plant no. 4, in the amount of \$1,500.00. Director Cox seconded the motion which carried by unanimous vote.

## CUSTOMER REQUESTS

Mr. Baker discussed a request from a resident located at Park Bend Drive regarding the storm sewer inlet design and drainage concerns. He stated he will address the topic further in the engineer's report.

## TERMINATION OF SERVICE

The Board next 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 Wajidalishah Shaik requested an extension for payment of their delinquent account.

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 27, 2018, if their utility bills are not paid in accordance with the District's Rate Order, except for Wajidalishah Shaik 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.

## ADOPT AMENDED RATE ORDER

There was no discussion on this matter.

## APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN AND AUTHORIZE SUBMITTAL TO THE TEXAS WATER DEVELOPMENT BOARD

There was no discussion on this matter.

## CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board reviewed the District's Drought Contingency Plan and agreed that no revisions are necessary to the plan at this time.

## AUTHORIZE OPERATOR TO PREPARE WATER LOSS AUDIT

Ms. Carner reviewed the District's requirement for the operator to prepare the Water Loss Audit and submit it to the Texas Water Development Board ("TWBD"). After discussion, Director Goff moved to authorize the operator to prepare the Water Loss Audit and to submit the same to the TWBD. Director Cathcart seconded the motion, which passed by unanimous vote.

## APPROVE LEGAL CONFLICTS WAIVER

Ms. Carner reminded the Board that ABHR also represents Cimarron Municipal Utility District ("Cimarron"). She reviewed with the Board, a legal conflicts waiver with respect to the preparation of the Interlocal Agreement for the Mason Creek hike and bike trail extension and the Emergency Water Supply Agreement with Cimarron. After review and discussion, Director Cathcart moved that the Board approve the legal conflicts waiver. Director Goff seconded the motion, which carried unanimously.

## ENGINEER'S REPORT

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

## APPROVE PAY ESTIMATES, CHANGE ORDERS, AND FINAL ACCEPTANCE AND DIRECT ENGINEER TO NOTIFY INSURANCE COMPANY OF NEW FACILITY FOR GROUND STORAGE TANK, HYDRO TANK REHABILITATION AND BOOSTER PUMP REPLACEMENT AT WATER PLANT NO. 1

Mr. Baker recommended approval of Pay Estimate No. 4, in the amount of \$186,912.00 to Nunn Constructors, Inc. for the ground storage tank replacement at water plant no. 1.

## TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

The Board deferred discussion regarding the rehabilitation of the sanitary sewer system in Cimarron Subdivision, Sections 1 and 2.

## WATER MODELING STUDY

Mr. Baker reported that BGE has received results from the water modeling study. He stated the study indicated an operational issue at water plant no. 3, and BGE and MDS are working to address the issue.

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

Ms. Carner stated that Harris County has acquired the final parcel for the Mason Creek trail extension, and an invoice will be sent for the District's share of the construction costs.

## CAPITAL IMPROVEMENT PLAN

Mr. Baker reviewed an updated Capital Improvement Plan, a copy of which is included in the engineer's report.

## OTHER ENGINEERING MATTERS

Mr. Baker discussed the Park Bend Drive and Strawberry Park storm water inlets in response to a customer email BGE received regarding drainage concerns, a copy of which is attached to the engineer's report. He stated there are at least 3 inlets located in the residents' driveways, and upgrade to a curb drain is recommended. Mr. Baker stated that Harris County maintains the storm water drainage system; however, they have stated they will not pay for the upgrade to the drainage inlets, but may consider cost sharing the expense with the District.

Mr. Baker discussed the sanitary sewer lines along Sundance Valley Road and stated that after inspection, there were multiple sewer line cracks and roots found throughout the system due to blockages. He stated there is approximately 825 feet which needs to be repaired at the approximate cost of \$30.00 per foot. Discussion ensued.

Following review and discussion, Director Cox moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 4 in the amount of \$186,912.00, payable to Nunn Constructors, Inc.; (3) authorize BGE to request proposals for the inlet modifications on Park Bend Drive and Strawberry Park; and (4) authorize BGE to request proposals for the sanitary sewer line repair along Sundance Valley Road. 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.

## WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

## DISCUSS RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Carner discussed the District's current insurance policies through McDonald & Wessendorff Insurance ("McDonald"), and noted that the policies expire June 1, 2018. After discussion, the Board concurred to request additional proposals for review at the next Board meeting.

CONVENE IN 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. to discuss employment matters. Ms. Carner and Ms. Cannon also were present.

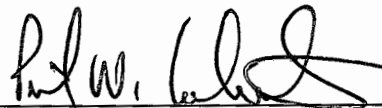
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board reconvened in open session at 6:49 p.m. After discussion, Director Cox moved to approve the annual increase for District employee, Doris Vogt, as discussed. Director Goff seconded the motion, which passed by unanimous vote.

OPERATOR'S REPORT CONTINUED

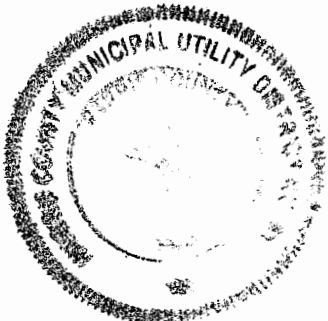
Ms. Marcucci discussed MDS's customer data security measures. Discussion ensued regarding the billing process including the procedures and notices for delinquent accounts. After discussion, the Board concurred to post the Amended Rate Order to the District's website and to include a link to the website on the utility bills.

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
Bookkeeper's report.....	2
Operations report.....	3
Engineer's report.....	5