

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

March 23, 2017

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 23rd day of March, 2017, and the roll was called of the duly constituted members of the Board of Directors, 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, member of the public; Ryan Fortner of Wheeler and Associates, Inc.; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Diane Doyle 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 Shilpa Shah of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the February 23, 2017, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the February 23, 2017, regular meeting. Director Goff seconded the motion, which carried by unanimous vote.

REQUEST FOR FUNDING HARRIS COUNTY PRECINCT'S EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD, INCLUDING EASEMENT ACQUISITION

Ms. Carner updated the Board on the request for the Harris County extension of the hike and bike trail. She stated that Mason Creek Utility District requested changes to the Interlocal Agreement between the District, the County, Cimarron Municipal Utility District, and Mason Creek Utility District. Discussion ensued.

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 2017 taxes are 93.55% collected as of the end of February. Mr. Fortner presented the Sales Revenue, Inc., quarterly Sales and Use Tax Administration Report on businesses paying sales tax in the District and the District's City of Houston updated Business List ("Business List"), copies of which are attached. He stated that the updated Business List was submitted to the City and State. After discussion, Director Goff moved to approve the tax assessor/collector's report and pay the bills. Director Cox seconded the motion, which carried by unanimous vote.

BOOKKEEPER'S REPORT

The Board received the bookkeeper's report, a copy of which is attached. Ms. Doyle reviewed each District account and the bills to be paid, as well as a budget to actual comparison, and the debt service requirements. After discussion, Director Cox moved to approve the bookkeeper's report and the checks presented for payment. Director Cathcart 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 96.3% for February 2017.

Mr. Chapline reviewed additional repair and maintenance items performed during the month. He then presented a list of delinquent accounts that are deemed not to be collectible and requested authorization to write off the delinquent accounts and submit same to a collection agency.

After review and discussion, Director Goff moved to (1) approve the operator's report; and (2) write off the delinquent accounts 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. Director Cox seconded the motion, which carried by unanimous vote.

CUSTOMER REQUESTS

Ms. Johnson reported that the residents at 1355 Westgreen have an active account with no meter, since they were terminated for non-payment, pursuant to the District's Rate Order. She stated they are still receiving utility bills for minimum usage every month and owe the District approximately \$3,000. Ms. Johnson inquired about closing the account. After discussion, the Board concurred to take no action.

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 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 Shirley Wilson, Antonio Pedraza, Tracy Hart, Ashley Albertelli, Johana Estrada, and Shannon Williams 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 April 1, 2017, if their utility bills are not paid in accordance with the District's Rate Order, except Shirley Wilson, Antonio Pedraza, Tracy Hart, Ashley Albertelli, Johana Estrada, and Shannon Williams, 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.

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

The Board reviewed the District's Water Conservation Plan. After review and discussion, Director Cox moved to approve the submittal of the annual report on implementation of the Water Conservation Plan to the Texas Water Development Board and direct that it be filed appropriately and retained in the District's Official Records. Director Brown seconded the motion, which carried by unanimous vote.

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 Cox 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.

ENGINEER'S REPORT

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

GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 1

Mr. Baker stated the Application to the Texas Commission on Environmental Quality (the "TCEQ") for Use of Surplus Funds and Change in Project Scope was submitted to the TCEQ for the booster pump replacement and the ground storage tank and hydrotank rehabilitation.

GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 4

Mr. Baker stated that the final inspection by the TCEQ was held on Tuesday, December 20, 2016.

REPLACEMENT OF WELL MOTOR AND WELL ASSEMBLY AT WATER WELL NO. 4 AND PROPOSALS FOR WELL COVER AT WATER WELL NO. 4

Mr. Baker stated that Schier Construction will install the well enclosure.

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. Sparks reported that BGE has resumed the water modeling study since water plant no. 4 became operational and is in process of conducting calibration testing.

INSTALLATION OF SIDEWALK ALONG CIMARRON PARKWAY BETWEEN MASON ROAD AND MESA TERRACE

Mr. Baker stated design of the sidewalk by Harris County is ongoing.

ELECTRONIC DISTRICT SIGN, INCLUDING PROPOSALS FOR PANEL SIGN

Mr. Baker reported that BGE will present an updated proposal from Stanley Signature Signs next month for installing the programmable LED sign at the administrative building.

CAPITAL IMPROVEMENT PLAN

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

GEORGE BUSH PARK SANITARY FORCE MAIN

Mr. Baker reported that a preconstruction meeting was held regarding the force main project which will transfer wastewater from George Bush Park to the Cinco Regional Wastewater Treatment Plant, and a notice to proceed was issued on March 6, 2017. He reviewed a temporary construction easement granted to the County by Memorial Municipal Utility District, a copy of which is attached to the engineer's report.

HARRIS COUNTY FLOOD CONTROL DISTRICT (the "HCFCD") T101-07-00-X022

Mr. Baker reported that a resident notified the District of sinkholes adjacent to multiple drainage structures near an HCFCD ditch (T101-07) north of Cimmaron Parkway. He stated BGE informed the HCFCD, and HCFCD is expected to repair the sinkholes within three to six months.

Following review and discussion, Director Cathcart moved to approve the engineer's report. Director Cox 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 reported on the West Memorial Sewage Treatment Plant meeting.

REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE BUILDING AND DISTRICT WEBSITE, INCLUDING REPORT ON TELEVISIONING OF SANITARY SEWER LINES

Ms. Johnson reported on the maintenance of the administrative building.

Ms. Johnson presented a proposal from City Maintenance in the amount of \$750 to re-stain and seal two entry doors of the administrative building. After review and discussion, Director Cox moved to approve the proposal from City Maintenance in the amount of \$750 to re-stain and seal two entry doors of the administrative building, and direct that the proposal be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which carried by unanimous vote.

Ms. Johnson inquired about keeping old digital video recorders ("DVRs") for analog cameras. After discussion, the Board requested for Ms. Johnson to research options for recycling old DVRs.

Ms. Johnson stated that that NCS tested four types of lights to replace the lights in the great room. Discussion ensued regarding determining what is causing the light bulbs to burn out and a possible voltage issue.

Ms. Johnson confirmed that the light outside of the administrative building was replaced, and the trash which was blocking the storm sewer in the parking lot was removed.

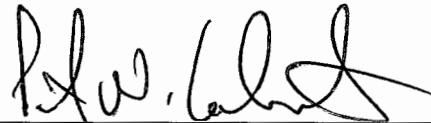
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

There was no discussion on this matter.

DISCUSS RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Carner presented the insurance proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies. She stated that McDonald & Wessendorff Insurance will submit a revised Worker's Compensation proposal. After discussion, the Board concurred to defer this agenda item.

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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