

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

March 23, 2023

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 2023, 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 Ryan Fortner of Revenue Management Services (“RMS”); Renee Butler of McLennan & Associates, LP; Kevin Odom of BGE, Inc. (“BGE”); Isabelle Mata of Wheeler & Associates, Inc. (“Wheeler”); Charlie Chapline of Municipal District Services, LLC (“MDS”); Doris Vogt and Stacy Lightsey, District employees; and Katie Carner and Tracie Brownlee of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board considered approving the minutes of the February 23, 2023, regular meeting. After discussion, Director Brown moved to approve the minutes of the February 23, 2023, 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 February 2023. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District’s 2022 taxes were 94.05% 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 Olsen seconded the motion, which passed by unanimous vote.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

Mr. Fortner reviewed the sales tax report, a copy of which is attached. Discussion ensued, and the Board concurred to accept the report.

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 presented three additional checks, check no. 1060 in the amount of \$70,478.65, payable to Equix Integrity Southeast, Inc. ("EIS"), check no. 2179 in the amount of \$272.00, payable to Director Goff for the reimbursement for the Board meeting meal expense and check no. 2179, payable to Team Wired, in the amount of \$4,598.85.

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

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 94.2%.

UPDATE ON WATER PLANT NO. 1 BOOSTER PUMP NO. 3 PUMP AND MOTOR REPAIRS AND WATER WELL NO. 1 INVESTIGATION

Mr. Chapline updated the Board on booster pump no. 3 pump and motor repairs at water plant no. 1 and stated the repairs are ongoing.

Mr. Chapline stated that lift pump no. 2 at lift station no. 1 has failed. He stated the repair cost is \$14,685.00 and the replacement cost is \$17,595.00, and recommended replacement.

Mr. Chapline discussed the water well no. 1 investigation results and stated the well needs emergency repair. He presented and recommended approval of a proposal in the total amount of \$248,902.00 from C&C Water Services, LLC ("C&C") for the emergency rehabilitation of water well no. 1. A copy of the proposal is attached to the operator's report. Mr. Chapline and Mr. Odom stated they believe the well failure

constitutes an emergency condition that may create a serious health hazard or unreasonable economic loss to the District that requires immediate corrective action. Following discussion, the Board concurred that the well failure constitutes such an emergency condition. Ms. Carner stated a letter can be sent to the Texas Commission on Environmental Quality ("TCEQ") for authorization to proceed with the emergency rehabilitation. Discussion ensued regarding upgrading the pump size and the approximate delivery time for the new pump.

The Board considered adopting a Resolution Expressing Intent to Reimburse, which reflects the District's intention to reimburse the general fund from future water, sewer, and drainage bonds proceeds for eligible expenses in connection with the emergency rehabilitation of water well no. 1. Discussion ensued regarding the portion of the project to be funded by existing surplus bond funds and the amount needed to reimburse the general fund from future bond proceeds.

RENEWAL OF EMERGENCY WATER INTERCONNECT AGREEMENT WITH NOTTINGHAM MUNICIPAL UTILITY DISTRICT

Ms. Carner stated the renewal of the Interconnect Agreement is currently being prepared.

AUTHORIZE OPERATOR TO PREPARE ANNUAL 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 ("TWDB"). After discussion, Director Brown moved to authorize the operator to prepare the Water Loss Audit and to submit the same to the TWDB. Director Cox seconded the motion, and the motion passed unanimously.

IDENTITY THEFT PREVENTION PROGRAM

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.

REVIEW CRITICAL LOAD SPREADSHEET FOR DISTRICT'S FACILITIES AND AUTHORIZE ANNUAL FILING

The Board reviewed the District's Critical Load Spreadsheet. Ms. Carner noted that the District's bookkeeper, engineer, and operator have reviewed and approved the Critical Load Spreadsheet. After review and discussion, Director Brown moved to authorize the annual filing of the Critical Load Spreadsheet and direct that the Critical Load Spreadsheet be filed appropriately and retained in

the District's official records. Director Cox seconded the motion, which passed by unanimous vote.

After discussion, Director Olsen moved to (1) approve the operator's report; (2) approve the proposal from C&C for replacement of lift pump no. 2 in the amount of \$17,595.00; (3) authorize award of a contract for the emergency repair for water well no. 1 to C&C, based upon the Board's determination that the well failure constitutes an emergency condition that may create a serious health hazard or unreasonable economic loss to the District that requires immediate corrective action; (4) authorize correspondence to the TCEQ requesting authorization to proceed with the emergency rehabilitation of water well no. 1; and (5) adopt a Resolution Expressing Intent to Reimburse for the rehabilitation of water well no. 1. Director Cox seconded the motion, which passed 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. 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 Brown seconded the motion, which passed by unanimous vote.

ENGINEER'S REPORT

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

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

Mr. Odom updated the Board on the cleaning and televising of Memorial Parkway, Sections 3, 4, and 5 sanitary sewer lines and stated the work is complete. Mr. Odom presented and reviewed Pay Estimate No. 1 and Final in the amount of \$70,748.65, payable to EIS. He stated BGE has provided information regarding needed point repairs to the District's operator.

PARK YORK FORCE MAIN REPLACEMENT

Mr. Odom stated the cost for replacing the force main in its existing location will be approximately \$865,000.00, which includes the surveying and the required bypass pumping. Mr. Odom noted the project will take approximately 6-8 months. He stated that BGE is currently finalizing the design for this project.

HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS, INCLUDING ADDITIONAL DETENTION/MITIGATION

Mr. Odom stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway.

Mr. Odom stated that Harris County has awarded the contract to R. Construction for the Cimarron Sections 2, 3, 4 and 5 drainage improvements project. He stated the Notice to Proceed was issued on January 16, 2023. Mr. Odom reviewed the revised contractor's schedule for the project, a copy of which is attached to the engineer's report.

WATER PLANT NOS. 1, 2 AND 4 GROUND STORAGE TANK ALTERNATE FILL LINE INSTALLATION

Mr. Odom stated the contractor for the water plant nos. 1, 2 and 4 ground storage tank fill line installation is Blastco Texas, Inc ("Blastco"). He stated the site work is complete and punch list items have been addressed. He requested approval of Pay Estimate No. 5 in the amount of \$3,533.68. He noted a final inspection is scheduled for March 28th.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Mr. Odom stated CSE W-Industries, Inc. ("CSE") is the contractor for the generator replacement project. He stated the contractor has completed the initial site work and is awaiting the delivery of the generator.

CAPITAL IMPROVMENT PLAN ("CIP"), INCLUDING CIMARRON, SECTIONS 1, 2 AND 3 SANITARY SEWER LINE REHABILITATION AND MEMORIAL PARKWAY, SECTIONS 6, 7 AND 8 SANITARY SEWAR LINE REHABILITATION

Mr. Odom discussed the CIP and recommended that the elevated storage tank rehabilitation be moved up to 2024, due to corrosion concerns. Discussion ensued.

REVIEW EMERGENCY PREPAREDNESS PLAN ("EPP") AND AUTHORIZE FILING OF UPDATES

The Board discussed necessary updates to the District's emergency preparedness plan. After discussion, Director Goff moved to approve and authorize filing of any necessary updates to the EPP. Director Cox seconded the motion, which carried by unanimous vote.

UPDATE ON BOND APPLICATION NO. 9

Mr. Odom stated BGE is currently finalizing bond application no. 9.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to (1) approve the engineer's report; (2) approve pay Estimate No. 1 and Final in the amount of \$70,748.65, payable to EIS; and (3) approve Pay Estimate No. 5 in the amount of \$3,533.68, payable to Blastco. Director Brown seconded the motion, which passed 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.

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

Ms. Vogt stated the trash cans need to be cleaned. She presented and reviewed a proposal from Spick & Span for \$130.00 for cleaning of the administration building trash cans. A copy of the proposal is attached. After discussion, Director Olsen moved to approve the proposal from Spic & Span for cleaning of the restroom trash cans in the amount of \$130.00. Director Olsen seconded the motion, which carried by unanimous vote.

The Board discussed purchasing magnets with MDS contact information on them for distribution to residents. Mr. Chapline stated he would bring a proposal for the purchase and mail out for the magnets to the next Board meeting.

The Board discussed a proposed \$100.00 additional charge from Time and Season to the resident who rented the administration building on February 25th. The Board noted very minor issues with the restrooms and trash in the outdoor trash can. After discussion, the Board concurred to waive the \$100.00 charge. The Board also requested that Ms. Vogt notify Time and Season that if they cannot inspect the facilities immediately after a rental, they need to take photographs to document any alleged deficiencies in cleaning by the renter and give them an opportunity to correct same.

The Board discussed the District's credit cards and Sam's Club membership. After discussion, the Board concurred to authorize upgrading the membership to obtain free delivery services.

UPDATE ON PARKING LOT PRESSURE WASHING AND RE-STRIPING

Ms. Vogt stated the additional painting in the parking lot and repair of concrete bases of the four light poles are complete.

UPDATE ON PURCHASE OF COMPUTER AND RESTORATION OF SECURITY CAMERAS MONITORING ACCESS

Ms. Vogt stated that the access cards and master access cards to the administration building are functional.

Ms. Vogt stated that the new office computer is functional. She noted that MDS has requested the installation of a hard drive for the 2nd office computer, and the Board concurred.

APPROVE QUARTERLY DISTRICT NEWSLETTER

The Board discussed the draft quarterly District newsletter and content of the articles. After discussion, Director Olsen moved to approve the District newsletter and distribution of same to residents. Director Cox seconded the motion, which carried by unanimous vote.

UPDATE ON CARPET CLEANING IN DISTRICT OFFICE

Ms. Vogt stated the Time and Season would clean the carpet in the District office.

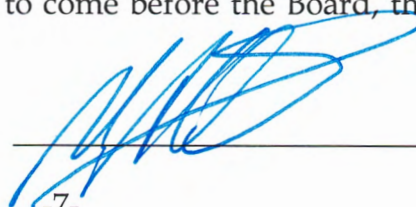
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

DISCUSS RENEWAL OF DISTRICT'S INSURANCE POLICIES

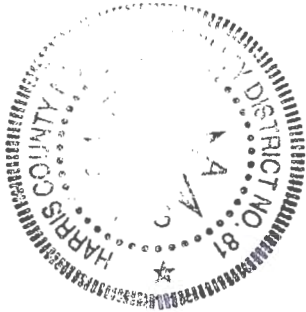
The Board discussed the upcoming renewal of the District's insurance. Ms. Carner noted that McDonald & Wessendorff Insurance ("McDonald") will provide a proposal for review at next month's meeting.

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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