

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

March 24, 2022

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 24th day of March 2022, and the roll was called of the members of the Board:

George Goff	President
Patrick Cathcart	Vice President
Bruce Cox	Secretary
Donna Brown	Treasurer
Michael Olsen	Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also attending the meeting were Virginia Goff, a member of the public; Renee Butler of McLennan & Associates, L.P. (“McLennan”); Kate Hallaway and Aaron Orozco of BGE, Inc. (“BGE”); Isabelle Mata of Wheeler & Associates, Inc. (“Wheeler”); Charlie Chapline of Municipal District Services, L.L.C. (“MDS”); Starr Johnson and Doris Vogt, 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 24, 2022, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the February 24, 2022, meeting. Director Cox 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 2022, a copy of which is attached. She stated the report reflects that the District’s 2021 taxes were 92.10% collected as of the end of February. After discussion, Director Olsen moved to approve the tax assessor/collector’s report and pay the bills from the tax account. Director Cox seconded the motion, which passed by unanimous vote.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

There was no discussion on this matter.

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 requested approval of one additional check, check no. 1399, in the amount of \$38.00, payable to West Houston Document Destruction for shredding services on March 22, 2022. Ms. Butler noted that check no. 1110, in the amount of \$172.65, payable to Tony Tenaco and check no. 1354, in the amount of \$10,971.04, payable to the Texas Commission on Environmental Quality were voided.

Director Goff noted multiple recent bookkeeping errors, including per diems paid that were not claimed, that the late payments to the District employees and Directors paid via direct deposit. The Board requested that the late payments be processed immediately, and that the bookkeeper notify all consultants and vendors that invoices must be submitted at least one week prior to each board meeting.

After review and discussion, Director Olsen moved to approve the bookkeeper's report, and the checks presented for payment, including the one additional check, as discussed. 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 83.5%.

Mr. Chapline requested approval of one delinquent account totaling \$59.00, deemed uncollectible, to forward to collections.

Mr. Chapline discussed the District's interconnect agreement with Memorial Municipal utility District ("Memorial"). He stated that Memorial opened one of the interconnects without authorization. Discussion ensued regarding the installation of a meter at an estimated cost of \$40,000.00. Mr. Chapline then discussed Nottingham Municipal Utility District's ("Nottingham") interconnect usage and presented a check to the bookkeeper from Nottingham for the water use from the interconnect.

Mr. Chapline a request form from a resident on 722 Park Meadow for the District to replace cracked portions of their driveway and stated the sewer line is too deep for dye testing for potential infiltration but can be televised for an estimated amount of \$4,000.00. He did not recommend that the Board televise the line at this time. Following

review and discussion, and based on the operator's recommendation, the Board did not take action,.

Mr. Chapline discussed a proposal in the amount of \$1,500.00 per generator to perform load testing on the District facility generators. He recommended that the District conduct the load testing every 3 years.

#### UPDATE ON REPAIRS OF ADMINISTRATION BUILDING SIDEWALKS

There was no update on this matter.

#### AMENDED RATE ORDER

The Board discussed amending the District's Rate Order to incorporate the increases from the amendment to the operating contract approved at last month's meeting. After discussion, Director Cox moved to adopt the Amended Rate Order and direct that the Rate Order be filed appropriately and retained in the District's official records. Director Olsen seconded the motion, which carried by unanimous vote.

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

The Board reviewed the District's Water Conservation Plan. After review and discussion, Director Brown moved to approve the Water Conservation Plan Annual Report, authorize submittal of same to the TWDB, and direct that the report be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed 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 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 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

The Board deferred discussion on this matter.

## 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 Brown moved to (1) approve the operator's report; (2) write off one account, totaling \$59.00 deemed uncollectible and forward the account to collections; and (3) approve the proposal for load testing in the amount of \$1,500.00 per generator for the generators at the District's facilities, to be conducted once every 3 years. 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. 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. Ms. Johnson stated that customers McClatchy, Langeveldt, and McCaffrey requested an extension for payment of their delinquent accounts.

Following review and discussion, Director Brown 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 2, 2022, if their utility bills are not paid in accordance with the District's Rate Order, except for customers McClatchy, Langeveldt, and McCaffrey 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.

## REVIEW EMERGENCY PREPAREDNESS PLAN AND AUTHORIZE FILING OF UPDATES, IF NECESSARY

The Board discussed necessary updates to the District's emergency preparedness plan.

## ENGINEER'S REPORT

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

### CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Hallaway stated BGE is currently preparing an updated CIP for District facilities.

### MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER LINE REHABILITATION

Ms. Hallaway stated that Texas Pride Utilities is the contractor for this project. She stated the total amount of the project is \$705,664.10. Ms. Hallaway stated the project is substantially complete.

### PARK YORK FORCE MAIN REPLACEMENT

Ms. Hallaway stated this project is on hold while the potential flow re-routing study is being conducted.

### HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS, INCLUDING ADDITIONAL DETENTION/MITIGATION, AND JOINT PARTICIPATION INTERLOCAL AGREEMENT AND DISCUSS HARRIS COUNTY PUBLIC MEETING

Ms. Hallaway stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway and Cimarron Sections 2, 3, 4 and 5.

Ms. Hallaway stated that Harris County has redefined the Memorial Parkway project. She stated the project will include additional detention/mitigation volume. She stated the Harris County is going to prepare the Interlocal Agreement for this project.

Discussion ensued regarding the recent public meeting regarding the pending Cimarron subdivision drainage improvements.

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

Ms. Hallaway stated the contractor for the water plant nos. 1, 2 and 4 ground storage tank fill line installation is Blastco Texas, Inc.

## DISINFECTION SYSTEM UPGRADES AT WATER PLANT NOS. 1, 2, 3 AND 4

Ms. Hallaway stated that W. W. Payton Inc. is the contractor for this project. She presented Pay Estimate No. 1 in the amount of \$252,225.00. Discussion ensued regarding the use of surplus funds for this project.

## GIS PROGRAM

Ms. Hallaway stated BGE has completed the GIS program to monitor and maintain the status and location of District facilities, including the District's valves.

## WATER PLANT NO. 2 GENERATOR REPLACEMENT

Ms. Hallaway stated BGE has submitted plans and specifications for the water plant no. 2 generator replacement project to Harris County, and plans have been approved. She requested authorization to advertise for bids in April. Discussion ensued regarding the use of surplus funds for this project.

## POTENTIAL SANITARY SEWER FLOW REROUTING

Ms. Hallaway stated that BGE has begun work on the plans and recommendations will be presented at the next Board meeting. Discussion ensued regarding alternate locations for an additional lift station and alternatives to flow re-routing.

## UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway stated BGE is currently preparing bond application no. 9 and will be able to complete preparation once the Memorial Parkway drainage improvements Interlocal Agreement is finalized.

## UPDATE ON EAGLE SCOUT STORM SEWER INLET STICKER REPLACEMENT PROJECT

Ms. Hallaway stated that Boy Scout Troop No. 925 requested to replace storm sewer inlet stickers within the District as part of an Eagle Scout Project. She stated the storm sewer sticker inlet project is complete and an inspection by BGE is pending.

## CINCO REGIONAL PHASE 4 TRUNKLINE REHABILITATION

Ms. Hallaway requested approval of Change Order No. 2 in the amount of \$148,550.00 as an increase to the contract with T. Gray Utility & Rehab Co., to address the sunken manhole that has caused a sag in the trunkline. Discussion

ensued. The Board determined that Change Order No, 2 is beneficial to the District.

Following review and discussion, and based on the engineer's recommendation, Director Brown moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 1 in the amount of \$252,225.00, payable to W.W. Payton; (3) approve Change Order No. 2 in the amount of \$148,550.00 based upon the Board's finding that the Change Order is beneficial to the District, and subject to final approval of the Cinco Regional Sewage Treatment Plant Operating Committee; and (4) authorize ABHR to send a Notice letter to the TCEQ regarding the use of surplus funds for the disinfection system upgrades and generator replacement projects. Director Olsen 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 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, COMMUNICATION, AND EMPLOYMENT MATTERS

Ms. Johnson stated a quote was received from Custom Cutters in the amount of \$170.00 to install one crepe myrtle tree at the District administration building.

Ms. Johnson stated the fire panel is not receiving the correct voltage. She noted that Sonitrol, Stanley, Johnson Controls and Comcast have not been able to rectify the problem. Discussion ensued.

The Board discussed updates to the District's website. Ms. Carner stated she would communicate the changes to the website vender.

DISCUSS DISTRICT ADMINISTRATION BUILDING RENTAL POLICIES

The Board discussed the administration building rental policies. After discussion, Director Olsen moved to rescind the Supplemental Rental Policies and Procedures during the Covid-19 Pandemic, which were adopted on October 29, 2021. Director Cox seconded the motion, which carried by unanimous vote.

The Board discussed cleaning fees for meetings at the administration building. After discussion, the Board took no action.

APPROVE QUARTERLY DISTRICT NEWSLETTER

The Board discussed the draft second quarter newsletter. After discussion, the Board concurred to approve the District newsletter, subject to final review.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY (“WHCRWA”)

The Board discussed a request from a WHCRWA director for the District to include an insert from the WHCRWA in the next utility bills. Following review and discussion, the Board concurred to decline the request because the WHCRWA information already is included in the District’s newsletter.

AUTHORIZE RENEWAL OF DISTRICT’S INSURANCE POLICIES

There was no discussion on this matter.

2022 DIRECTORS ELECTION

ACCEPT CERTIFICATE DECLARING UNOPPOSED STATUS OF CANDIDATES FOR ELECTION TO THE BOARD OF DIRECTORS

Ms. Carner presented a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received three candidate applications for the three director positions for the May 7, 2022, Directors Election. Following review and discussion, Director Cox moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors. Director Cathcart seconded the motion, which passed unanimously.

ADOPT ORDER CANCELLING ELECTION AND DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE

Ms. Carner presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 7, 2022, Directors Election is cancelled and that the unopposed candidates Patrick Cathcart, Donna Brown and Bruce Cox are declared elected to office to serve from the May 7, 2022, election until the May 2, 2026, Directors Election. Following review and discussion, Director Cox moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office. The motion was seconded by Director Cathcart and passed unanimously.



AUTHORIZE CANCELLATION OF COUNTY CONTRACT FOR ELECTION SERVICES

Ms. Carner discussed the cancellation of the contract with Harris County (the "County") for election services. Following review and discussion, Director Cox moved to authorize cancellation of the County contract for election services. Director Cathcart seconded the motion, which passed unanimously.

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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