

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

March 26, 2020

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 81 (the "District") met in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 26th day of March, 2020, and the roll was called of the members of the Board being present by telephone:

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|------------------|---------------------|
| 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 attending the teleconference were Eric Hansen of West Harris County Regional Water Authority; Ryan Fortner of Wheeler & Associates, Inc.; 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, District employee; and Katie Carner and Kim Cannon-Griffin of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Carner reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/hcmud81.

DECLARE EMERGENCY

Ms. Carner reported on Governor Abbott's disaster declaration dated March 13, 2020, authorizing political subdivisions of the State of Texas to use all available resources to facilitate and expedite the use and deployment of District resources to enhance preparedness and response to the novel coronavirus (COVID-19). She stated in response to the Governor's declaration, an emergency may be declared within the District for the duration of this declared disaster and for the limited purposes authorized by Governor Abbott. After discussion, Director Cox moved to declare an emergency within the District for the duration of this declared emergency/disaster and for the limited purposes authorized by the Governor as a result of the novel coronavirus

(COVID-19). Director Brown seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

PUBLIC COMMENT

Director Savage offered any members of the public attending the meeting by telephone the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Savage moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the February 27, 2020, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the February 27, 2020, regular meeting. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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 2019 taxes were 93.22% collected as of the end of February. After discussion, Director Goff moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Mr. Fortner reviewed the delinquent tax report, 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.

Ms. Lutz presented two additional checks, including check no. 15997 in the amount of \$41,531.10, payable to Chief Solutions and check no. 16007 in the amount of \$285.00, payable to UBTECHPROS.

After discussion, Director Cox moved to approve the bookkeeper's report and the checks presented for payment, including the additional checks. Director Brown seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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 96.2% for February 2020.

Mr. Chapline reported there was one account totaling \$287.07 deemed to be uncollectible and requested authorization to write off said account and turn it over to a collection agency.

Mr. Chapline reviewed the annual report on the Identity Theft Prevention Program. Mr. Chapline stated that no significant incidents of identity theft have been reported in the past year and that MDS is not recommending any changes to the policy at this time.

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

CUSTOMER REQUESTS

There were no customer requests.

REPORT ON REVIEW AND PROPOSED ABANDONMENT OF INTERCONNECTS

There was no discussion on this matter.

After review and discussion, Director Goff moved to (1) approve the operator's report; and (2) write off one delinquent account totaling \$287.07 which is 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 Brown seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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 ("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. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN AND AUTHORIZE SUBMITTAL TO THE TEXAS WATER DEVELOPEMENT 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 TWBD and direct that it be filed appropriately and retained in the District's Official Records. Director Brown seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

CONDUCT ANNUAL REVIEW OF DROUGHT CONTIGENCY PLAN

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

REQUEST FROM NOTTINGHAM COUNTRY MUNICIPAL UTILITY DISTRICT FOR USE OF INTERCONNECT

Mr. Chapline stated a request was received from Nottingham Country Municipal Utility District ("Nottingham") for the District to open the interconnect in October during their water plant rehabilitation project. After discussion, the Board concurred to authorize MDS to open the interconnect to Nottingham in October, as requested. The Board requested Ms. Carner to request Nottingham's operator to coordinate with MDS regarding timing of opening of the interconnect, to ensure sufficient water capacity for both districts.

DISCUSS RENEWAL OF DISTRICT'S INSURANCE POLICIES

There was no discussion on this matter.

DISCUSS DELINQUENT FEES AND PENALTIES AND TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

The Board discussed correspondence from Harris County Judge Lina Hidalgo requesting that all municipal utility districts suspend imposition of late fees and service terminations for the duration of the COVID-19 public health emergency, a copy of which is attached.

Mr. Chapline presented to the Board a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Goff moved to suspend termination of water and sewer service to delinquent customers and waive late

fees and penalties due to the disaster declaration, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Cathcart. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

ENGINEER'S REPORT

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

WATER PLANT NO. 4 NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT

Mr. Baker stated the contractor for the natural gas generator and MCC replacement at water plant no. 4 is McDonald. He stated the total project amount is \$778,469.00.

DRINKING WATER QUALITY, INCLUDING WATER PLANT NO. 4 WATER WELL NO. 4 PROFILING AND PROPOSALS FOR REPAIR

Mr. Baker stated that C & C Water Services, LLC. ("C & C") is the contractor for the water plant water well no. 4 televising and profiling. He stated the total project amount is \$204,359.00.

Mr. Baker updated the Board and stated the three screens have been cleaned and a test pump will be utilized next week for additional water sampling.

TELEVISIONING OF MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER

Mr. Baker stated Chief Solutions, Inc. ("CS") is the contractor for this project. He stated the total project amount is \$50,549.70 and the project is 80 percent complete.

WEST MEMORIAL MANHOLE SURVEY

Mr. Baker stated CS is the contractor for this project. He stated the total project amount is \$21,680.00 and CS has mobilized to begin the work.

OTHER ENGINEERING MATTERS

There were no additional engineering matters.

CAPITAL IMPROVEMENT PLAN

Mr. Baker reviewed an updated capital improvement plan ("CIP"), a copy of which is attached to the engineer's report.

BOND APPLICATION NO. 8

Mr. Baker stated BGE has received a letter from the Texas Commission on Environmental Quality stating bond application no. 8 is administratively complete.

Following review and discussion, Director Cox moved to approve the engineer's report. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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 AND EMPLOYMENT MATTERS

UPDATE ON SITE DRAINAGE IMPROVEMENTS

There was no discussion on this matter.

SECURITY CAMERA EQUIPMENT MAINTENANCE, INCLUDING
PROPOSALS

Director Savage updated the Board on the status of the security cameras. He stated there are security cameras that are still not functioning. He noted there is not a surge protector on the camera systems. After discussion, the Board concurred to authorize the operator and engineer to coordinate regarding installation of a surge protector for the security cameras.

APPROVAL FOR HIKE AND BIKE TRAIL SIGNS

There was no discussion on this matter.

DISCUSS REFUNDING OF ADMINISTRATION BUILDING RENTAL
DEPOSITS

Ms. Johnson stated there are two events scheduled at the District administration building, which were cancelled due to the COVID-19 epidemic. After discussion, Director Goff moved to authorize the refunds for the two deposits made for the cancelled reservations at the District administration building. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

GARBAGE MATTERS, INCLUDING DISCUSS SPRING 2020 SHRED EVENT

The Board discussed the shred event scheduled on April 18th. After discussion, the Board concurred to cancel the shred event at this time, in light of the COVID-19 epidemic. The Board requested ABHR to prepare a cancellation notice to be posted on the District's website and distributed to the homeowners' associations.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Mr. Hansen updated the Board on the status of the WHCRWA emergency response during the COVID-19 pandemic. He stated the Authority's website has been updated with information related to the pandemic.

APPROVE QUARTERLY DISTRICT NEWSLETTER

The Board discussed the quarterly District newsletter and topics to be included, including the cancellation of the shred event, election postponement, engineering updates, garbage pick-up guidelines, and conservation information. After discussion, Director Cox moved to authorize distribution of the quarterly District newsletter, subject to final approval. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

2020 DIRECTORS ELECTION

DISCUSS POTENTIAL POSTPONEMENT OF ELECTION AND IF APPROPRIATE ADOPT ORDER POSTPONING DIRECTORS ELECTION AND AUTHORIZE NOTICE OF POSTPONMENT

Ms. Carner discussed procedures related to the 2020 Directors Election. She reported that, in response to the COVID-19 epidemic, on March 18, 2020, the Governor of Texas issued a proclamation (the "Proclamation") authorizing political subdivisions, including the District, to postpone general and special elections to the next uniform election date on November 3, 2020. Ms. Carner stated that the Texas Secretary of State's Office has recommended that political subdivisions postpone their May 2, 2020, elections as authorized by the Proclamation, and issued Election Advisory No. 2020-12 (the "Advisory") to provide the required procedures for such postponement. Discussion ensued.

Ms. Carner presented and reviewed an Order Postponing Directors Election, providing for the postponement of the District's May 2, 2020, Directors Election to November 3, 2020, as authorized by the Proclamation. Following review and discussion, Director Goff moved to adopt the Order Postponing Directors Election and direct that the Order be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Ms. Carner next presented and reviewed a Notice of Postponement of Directors Election and discussed requirements for disseminating same, pursuant to the Advisory. After review and discussion, Director Goff moved to approve the Notice of Postponement of Directors Election, authorize dissemination of same, as required by the Advisory, and direct that the Notice be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

APPROVE CONTRACT FOR ELECTION SERVICES WITH HARRIS COUNTY

Ms. Carner stated that the District must contract with Harris County (the "County") to conduct the District's postponed Directors Election. After discussion, Director Goff moved to contract with the County to administer the District's postponed Directors Election. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

2020 BOND ELECTION

DISCUSS POTENTIAL POSTPONEMENT OF ELECTION AND IF APPROPRIATE ADOPT ORDER POSTPONING DIRECTORS ELECTION AND AUTHORIZE NOTICE OF POSTPONEMENT

Ms. Carner discussed procedures related to the 2020 Bond Election. She presented and reviewed an Order Postponing Bond Election, providing for the postponement of the District's May 2, 2020, Bond Election to November 3, 2020, as authorized by the Proclamation. Following review and discussion, Director Goff moved to adopt the Order Postponing Bond Election and direct that the Order be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Ms. Carner next presented and reviewed a Notice of Postponement of Bond Election and discussed requirements for disseminating same, pursuant to the Advisory. After review and discussion, Director Goff moved to approve the Notice of Postponement of Bond Election, authorize dissemination of same, as required by the Advisory, and direct that the Notice be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

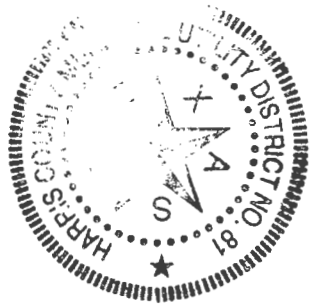
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There being no further business to come before the Board, the Board concurred to adjourn the meeting.


Secretary, Board of Directors

(SEAL)



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