

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

March 27, 2025

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 27th day of March 2025, 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”); Pam Redden of McLennan & Associates, LP; Katherine Hallaway of BGE, Inc. (“BGE”); Johnnie Thompson of Wheeler & Associates, Inc. (“Wheeler”); Charlie Chapline of Municipal District Services, LLC (“MDS”); Stacy Lightsey, District employee; and Teshia Judkins and Kim Cannon of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board considered approving the minutes of the February 27, 2025, regular meeting. After discussion, Director Brown moved to approve the minutes of the February 27, 2025, regular meeting. Director Olsen seconded the motion, which passed by unanimous vote.

RENEWAL OF DISTRICT INSURANCE POLICIES

Ms. Judkins stated the District’s current insurance policies will expire June 1, 2025, and ABHR has not yet receive the renewal packet from McDonald & Wessendorff.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Thompson reviewed the tax assessor/collector’s report for the month of February 2025. A copy of the tax assessor report is attached. Ms. Thompson stated the report reflects that the District’s 2024 taxes were 94.13% collected as of the end of February.

Ms. Thompson next reviewed a report from the District’s delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP (“Perdue”), a copy of which is attached to the tax report.

After discussion, Director Cox 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 a unanimous vote.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

Mr. Fortner distributed and reviewed the sales tax revenue report, a copy of which is attached. He noted corrections needed in the report and stated a final, corrected report will be provided.

BOOKKEEPER’S REPORT

The Board reviewed the bookkeeper’s report, a copy of which is attached. Ms. Redden reviewed each District account and the bills to be paid, as well as a budget to actual comparison.

Ms. Redden also presented one additional check, check no. 3656 in the amount of \$19,966.40, payable to Consilio LLC for services related to the email breach in July 2023. She noted the two invoices were recently received and had not been previously paid, and the billing is in accordance with the engagement letter between Consilio and the District.

After review and discussion, Director Olsen moved to approve the bookkeeper’s report and the additional check presented for payment. Director Brown seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

There was no discussion on this matter.

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 76%. Mr. Chapline

discussed the lower than usual accountability and the results of MDS' investigations to date. He noted MDS located and repaired a water main line leak on Cimmaron Parkway that was draining underground and, therefore, was difficult to identify. Mr. Chapline stated the leak detection survey is still necessary and recommended the leak detection survey be added to the preventative maintenance schedule every three to five years.

Mr. Chapline requested authorization to forward one delinquent accounts to collections, totaling \$99.89.

Ms. Judkins stated that the District received a request from a deputy with the Harris County Precinct 5 Constable's Office for certain payment records related to a resident's utility account that is involved in a fraudulent payment case. She stated the requested records were provided to the deputy.

LIFT STATION GENERATOR PROPOSALS

Mr. Chapline discussed the lift station generator. After discussion, the Board requested more detailed information on the lift station generator's current condition.

SANITARY SEWER LINE(S) NEAR KENLAKE DRIVE AND DRAFT AGREEMENT WITH CORNERSTONES MUNICIPAL UTILITY DISTRICT ("CORNERSTONES") REGARDING SAME

Ms. Judkins updated the Board on the status of the draft agreement between the District and Cornerstones regarding the sanitary sewer line on Kenlake Drive.

EVALUATION OF DISTRICT'S INTERCONNECTS AND RELATED RECOMMENDATIONS

Mr. Chapline stated this matter is not yet ready for discussion.

AUTHORIZE OPERATOR TO PREPARE THE WATER LOSS AUDIT

Ms. Judkins reviewed the District's requirement for the operator to prepare the Water Loss Audit and submit it to the Texas Water Development Board ("TWDB").

CONDUCT ANNUAL REVIEW AND RECEIVE REPORT FROM OPERATOR ON IDENTITY THEFT PREVENTION PROGRAM AND ADOPT IDENTITY THEFT PREVENTION PROGRAM AMENDMENT

There was no discussion on this matter.

ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

Ms. Judkins stated that the Texas Commission on Environmental Quality ("TCEQ") rules require that the District annually review the District's Drought Contingency Plan. The District's operator and engineer confirmed that no changes are recommended at this time.

REVIEW WATER CONSERVATION PLAN AND AUTHORIZE SUBMITTAL TO THE TEXAS WATER DEVELOPMENT BOARD ("TWDB")

There was no discussion on this matter.

After discussion, and as recommended by the operator, Director Olsen moved to: (1) approve the operator's report; (2) authorize MDS to forward the one delinquent account totaling \$99.89 to collections; and (3) authorize the operator to prepare the Water Loss Audit and to submit same to the TWDB. Director Brown seconded the motion, which passed by unanimous vote.

AUTOMATIC CPI AMENDMENT TO THE OPERATOR SERVICE AGREEMENT

Mr. Chapline stated the automatic CPI amendment in the operator's contract will occur in August and requested to defer at this time.

TERMINATION OF SERVICE

The Board conducted a hearing regarding the 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

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

CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Hallaway discussed the list of CIP projects for 2025, including the estimated total cost and the estimated cost to be paid during the current year for each project.

GIS UPDATES

Ms. Hallaway stated the GIS system platform needs to be upgraded. She stated the BGE technology team has performed an evaluation and provided a list of recommendations to upgrade the system for better usability. A copy of the evaluation is attached to the operator's report. She noted the cost for the upgrade is \$6,000.00 to \$8,000.00 and the services can be performed under the District's existing agreement with BGE, and she requested approval to complete the upgrades.

PARK YORK FORCE MAIN REPLACEMENT, INCLUDING ON EASEMENT ACQUISITION

Ms. Hallaway stated that the design plans for the Park York Force Main Replacement project have been submitted to Harry County for review and BGE is in the process of addressing the comments received from Harris County.

WATER PLANT NO. 3 ELEVATED STORAGE TANK REHABILITATION

Ms. Hallaway discussed the Water Plant No.3 elevated storage tank rehabilitation project and stated BGE has completed the survey for the project. She stated BGE is incorporating requests from the District's operator into the existing plans.

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

Ms. Hallaway stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway. She stated that Harris County is coordinating with the US Army Corps of Engineers for their acceptance of the proposed design.

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

Ms. Hallaway updated the Board on the work being performed by the contractor, Champion Cleaning Specialists ("CCS"), for the sanitary sewer rehabilitation for Memorial Parkway, Sections 3-5. She requested approval of Pay Estimate No. 2 in the amount of \$317,692.44.

SANITARY SEWER REHABILITATION FOR CIMARRON SUBDIVISION, SECTIONS 1, 2, AND 3 AND MEMORIAL PARKWAY, SECTIONS 6, 7, AND 8

Ms. Hallaway stated design for the sanitary sewer line rehabilitation project for Cimarron subdivision, Sections 1-3 and Memorial Parkway, Sections 6-8 is near completion and will be submitted to required agencies by the end of March.

SANITARY SEWER TELEVISIONING AND CLEANING FOR CIMARRON SUBDIVISION, SECTIONS 4, 5 AND 6, MEMORIAL PARKWAY, SECTIONS 9, 11, AND 13, AND SILVERSTONE, SECTION 1

Ms. Hallaway stated that the plans for the cleaning and televising of the sanitary sewer lines for Cimarron subdivision, Sections 4-6, Memorial Parkway, Sections 9-11, and 13, and Silverstone Section 1 are complete. She requested approval of the plans and to authorize advertisement to bid the project.

SANITARY SEWER REHABILITATION ALONG KENLAKE DRIVE

Ms. Hallaway discussed the Kenlake sanitary sewer rehabilitation project to reline the pipe. She stated the line has been surveyed and the design plans have been submitted to Harris County and Harris County Flood Control District for review.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway updated the Board on the status of bond application no. 9 and stated BGE is revising the draft bond application based upon comments provided by District consultants.

EMERGENCY PREPAREDNESS PLAN ("EPP")

Ms. Hallaway reported that BGE will review and update the EPP, as necessary. Discussion ensued.

OTHER ENGINEER MATTERS

Ms. Hallaway reported that BGE received and has reviewed plans for the redevelopment of the Firestone site within the District.

Following review and discussion, and based on the engineer's recommendation, Director Goff moved to: (1) approve the engineer's report; (2) approve the updates to the GIS system, as discussed; (3) approve Pay Estimate No. 2 in the amount of \$317,692.44, payable to CCS; (4) approve the plans and authorize advertisement for bid for the cleaning and television of Cimarron Subdivision, Sections 4, 5 and 6, Memorial Parkway, Sections 9, 11 and 13, and Silverstone, Section 1; and (5) authorize BGE to

submit any necessary updates to the EPP, as discussed. Director Olsen seconded the motion, which passed by unanimous vote.

REPORT ON WEST MEMORIAL MUNICIPAL UTILITY DISTRICT SEWAGE TREATMENT PLANT (THE "WEST MEMORIAL STP") MEETING

The Board reviewed the West Memorial STP meeting report, a copy of which is attached.

OPERATION, REPAIR, MAINTENANCE AND RENTAL OF ADMINISTRATIVE OFFICE AND DISTRICT WEBSITE, COMMUNICATION, AND EMPLOYMENT MATTERS, AND RELATED AGREEMENTS AND PROPOSALS

PROPOSAL FOR CHAINS AND POLE REPLACEMENT FOR PARKING LOT

Ms. Lightsey updated the Board regarding the needed repairs to the damaged pole and chain for the driveway for the parking lot across the street from the administration building, noting she has requested a proposal from City Maintenance.

APPROVE QUARTERLY DISTRICT NEWSLETTER

The Board reviewed the draft quarterly District newsletter, a copy of which is attached. After discussion, Director Olsen moved to approve the District newsletter for distribution to residents. Director Brown seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

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

(SEAL)





Secretary, Board of Directors

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