

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

March 28, 2019

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 28th day of March, 2019, and the roll was called of the duly constituted members of the Board of Director, 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 Virginia Goff, a member of the public; Stephen Eustis of Robert Baird & Co. Inc. ("Baird"); Ryan Fortner of Wheeler and Associates, Inc. ("Wheeler"); 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 and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the February 28, 2019, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the February 28, 2019, regular meeting. Director Goff seconded the motion, which carried by unanimous vote.

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 2018 taxes were 94.56% collected as of the end of February. After discussion, Director Cox moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Goff seconded the motion, which carried by unanimous vote.

Mr. Fortner reviewed a delinquent tax roll, 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 one additional check, check no. 15201 in the amount of \$10,412.00, payable to BGE for engineering services.

After discussion, Director Cathcart moved to approve the bookkeeper's report and the checks presented for payment. Director Cox seconded the motion, which carried by unanimous vote.

Mr. Eustis distributed and reviewed a report regarding the District's outstanding bonds and maturity dates for the consideration of a refunding bond issuance. A copy of the analysis is attached. Discussion ensued regarding the Series 2010 bonds available for refunding and the estimated savings of proceeding with a refunding of such bonds. After discussion, Director Goff moved to authorize Baird to proceed with the preparation for a refunding bond issue. Director Cox seconded the motion, which carried by unanimous vote.

ORDER ADOPTING AMENDED AND RESTATED PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

Ms. Carner stated that, when the District issues bonds, the District enters into a continuing disclosure undertaking for the benefit of the bondholders. She added that the provisions of that undertaking require that the District comply with certain continuing disclosure requirements for its bonds. She explained that the Board is ultimately responsible for continuing disclosure compliance for its bonds, with assistance by its consultants. Ms. Carner added that, in order to ensure that the District's procedures for continuing disclosure compliance are well documented, the Board has previously adopted such procedures in writing. She stated that, because the United States Securities and Exchange Commission has amended its Rule 15c2-12, ABHR recommends that the District's written procedures be amended by the Board. Ms. Carner reviewed an Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance with the Board. Following review and discussion, Director Cox moved to adopt the Order Adopting Amended and Restated Procedures for Continuing Disclosure Compliance and direct that the Order be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which passed 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 96.5% for February.

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

Mr. Chapline reported there were nine accounts totaling \$1,177.97, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

RED ROCK CANYON STORM SEWER AND SANITARY SEWER LINES

Mr. Chapline stated the sanitary sewer lines on Red Rock Canyon have been repaired, but noted that some adjacent driveway aprons and landscaping require repairs. He requested approval in the amount of \$24,500.00 for the required concrete and landscape restoration on Red Rock Canyon.

Mr. Chapline requested authorization to repair 282 liner feet of sanitary sewer lines adjacent to 1542 Park Meadow, in the amount of \$39,300.00, and for associated concrete and landscape restoration in the amount of \$8,200.00.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; (2) write off the nine delinquent accounts totaling \$1,177.97, which 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; (3) authorize MDS to proceed with the concrete and landscape restoration on Red Rock Canyon, in the amount of \$24,500.00; (4) authorize MDS to repair the 282 liner feet of sanitary sewer lines adjacent to 1542 Park Meadow, in the amount of \$39,300.00, and to complete all needed concrete and landscaping restoration related to same, in the amount of \$8,200.00. Director Cox seconded the motion, which carried by unanimous vote.

CUSTOMER REQUESTS

Ms. Johnson stated that the Cimarron Community Association requested financial assistance with their plumbing bill for repairs to a leak in the water line for their swimming pool. She stated they provided an invoice from their plumber in the amount of \$1,264.24. Following discussion, the Board concurred to deny the request.

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. She stated that customer Smith requested an extension for payment of their delinquent account.

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 3, 2019, if their utility bills are not paid in accordance with the District's Rate Order, except for customer Smith 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.

ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Ms. Carner stated that the Texas Commission on Environmental Quality ("TCEQ") rules require that the District review and adopt an Amended and Restated Drought Contingency Plan in 2019, prior to May 1st. Ms. Carner reviewed an Amended and Restated Drought Contingency Plan with the Board. After review and discussion, Director Cox moved to adopt the Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which passed by unanimous vote.

REVIEW WATER CONSERVATION PLAN; APPROVE ANNUAL REPORT AND WATER CONSERVATION IMPLEMENTATION REPORT; ADOPT ORDER ADOPTING AMENDED AND RESTATED WATER CONSERVATION PLAN

The District's operator reviewed the Water Conservation Plan Annual Report and Five-Year Implementation Report on the Water Conservation Plan with the Board. Ms. Carner stated that the Texas Commission on Environmental Quality rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2019. Ms. Carner reviewed an Amended and Restated Water Conservation Plan with the Board.

After review and discussion, Director Cox moved to: (i) approve the Water Conservation Annual Report and Five-Year Implementation Report, direct that the reports be filed appropriately and retained in the District's official records, and authorize the District's Operator to submit the reports to the appropriate government agencies; and (ii) adopt an Order Adopting Amended and Restated Water Conservation Plan, direct that the Order be filed appropriately and retained in the District's official records, and authorize the submittal of the Amended and Restated Water Conservation Plan to the appropriate government agencies. 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.

APPROVE PLANS AND SPECIFICATIONS FOR NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT AT WATER PLANT NO. 4

Mr. Baker stated that BGE had submitted the construction plans and specifications for the replacement of the natural gas generator and MCC at water plant no. 4 to Harris County for review.

PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR PARK BEND AND STRAWBERRY PARK STORM SEWER INLET IMPROVEMENTS

Mr. Baker stated that RJ&M Utility Construction ("RJ&M") is the contractor for the Park Bend Drive storm sewer inlet rehabilitation project. He stated that Harris County has now required that the contractor utilize a different type of concrete, which will result in an additional cost. He presented and recommended approval of Change Order No. 1 to the contract with RJ&M for the newly required type of concrete to increase the contract in the amount of \$9,500.00. The Board determined that Change Order No. 1 is beneficial to the District.

TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

There was no discussion on this matter.

HARRIS COUNTY PRECINCT 3 EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD

There was no discussion on this matter.

CAPITAL IMPROVEMENT PLAN

Mr. Baker distributed and reviewed an updated capital improvement plan ("CIP"). Discussion ensued.

ADDITIONAL ENGINEERING ITEMS

Mr. Baker discussed the request from Harris County Emergency Services District No. 48 ("ESD 48") for financial assistance towards the costs associated with the installation of traffic signal improvements in an effort to improve the response times for emergency vehicles. He stated that BGE has identified 6 intersections in the District where the traffic signal improvements could be installed. Discussion ensued regarding potential funding sources for the improvements and the District's potential acquisition of road powers. After discussion, the Board concurred to use Strategic Partnership Agreement funds for the improvements and requested a revised letter from ESD 48 for the 6 intersections.

Following review and discussion, and based on the engineer's recommendation, Director Cathcart moved to (1) approve the engineer's report, and (2) approve Change Order No. 1 in the amount of \$9,500.00 as an increase to the contract with RJ&M, based upon the Board's finding that the Change Order is beneficial to the District. Director Cox seconded the motion, which carried by unanimous vote.

BOND APPLICATION NO. 8, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECT AND BONDS AND OTHER ENGINEERING MATTERS

The Board discussed the future projects on the CIP plan and funds available to pay for those projects. Mr. Baker reviewed a draft summary of costs in the amount of \$4,000,000 for proposed bond application no. 8. Discussion ensued.

Ms. Carner presented and reviewed a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds, in the amount of \$4,000,000. After discussion, Director Cathcart moved to approve the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds in the amount of \$4,000,000, subject to final review, and direct that the Resolution be filed appropriately and retained in the District's official records. 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 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

SANITARY SEWER LINE REHABILITATION

Mr. Baker updated the Board on the rehabilitation of the sanitary sewer line at the District administration building. He updated the Board on the filing of an insurance claim related to the project. He stated the project will take approximately 3 weeks and is tentatively scheduled to begin on August 5th.

REPLACEMENT OF CARD READER FOR FRONT DOOR OF ELECTRONIC DOOR LOCK

Ms. Johnson stated the current security equipment is outdated. She presented and reviewed a proposal from Stanley Convergent Security Solutions

("Stanley") to upgrade the Sonitrol security equipment system to a wireless system the amount of \$1,424.97.

Ms. Carner stated the previous Service Agreement with Stanley was approved in 2003. She recommended that the Board enter into a new Service Agreement to replace the existing, outdated agreement.

After discussion, Director Cox moved to authorize execution of a new Service Agreement with Stanley, subject to final review, to approve the proposal for the security equipment upgrade in the amount of \$1,424.97, and to direct that the Agreement and the proposal be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which carried by unanimous vote.

ADMINISTRATION BUILDING AND PARKING LOT REHABILITATION

Discussion ensued regarding additional required maintenance at the District administration building, including interior and exterior painting and door refinishing. Mr. Baker presented and reviewed a revised proposal from City Maintenance in the amount of \$61,285.00 for interior and exterior painting and improvements. Discussion ensued regarding the time frame for the repairs and potential interference with previously scheduled events at the District administration building. Mr. Baker stated the improvements are tentatively scheduled to last from July 15th through August 23rd. The Board discussed painting versus re-staining the wood wainscoting and trim. The Board concurred to paint the wood wainscoting and trim in the great room first and then to re-evaluate whether to paint or re-stain the wood wainscoting and trim in the other rooms.

Ms. Johnson requested approval to purchase District drink coasters for the Board room. A copy of the proposed logo for the coasters is attached to the operator's report.

After discussion, Director Cox moved to approve the proposal from City Maintenance in the amount of \$61,285.00, for the interior and exterior improvements at the administration building and to approve the purchase of the District drink coasters for the Board room. Director Cathcart seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this item.

RENEWAL OF DISTRICT INSURANCE POLICIES

Ms. Carner stated the insurance proposal from McDonald Wessendorff will be presented at next month's meeting.

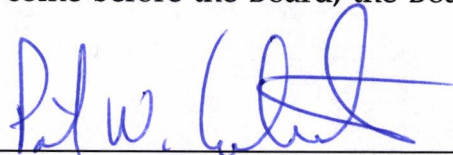
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board convened in Executive Session at 6:57 p.m. to discuss employment matters. Ms. Carner and Ms. Cannon also were present.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board reconvened in open session at 7:06 p.m. After discussion, Director Cox moved to approve the hourly increase for District employee, Doris Vogt, as discussed. Director Goff seconded the motion, which passed by unanimous vote.

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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