

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

March 28, 2024

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, 2024, 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 Tony Garza, a Board member of Cornerstones Municipal Utility District; Renee Butler of McLennan & Associates, LP; Kate Hallaway of BGE, Inc. (“BGE”); Isabel Mata 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

Mr. Garza discussed with the Board the commercial and apartment connection counts within the District and related charges to the participants in the Cinco Regional Sewage Treatment Plant (the “Plant”). He requested that the District evaluate the accuracy of the District’s current commercial and apartment connection counts for those commercial and apartment connections served by the Plant.

MINUTES

The Board considered approving the minutes of the February 22, 2024, regular meeting. After discussion, Director Brown moved to approve the minutes of the February 22, 2024, 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 2024. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2023 taxes were 93.20% 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 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.

Director Goff inquired about the late fees and interest charges on the District's Sam's Club credit card invoice. Ms. Butler stated McLennan will reimburse the District for the late fees and interest charges by including a credit for the same amount on McLennan's next invoice to the District for bookkeeping services.

Director Goff discussed the invoice from Time & Season, noting that the charges for the pick-up of supplies seemed duplicated and inquired if the charges were correct. Ms. Butler stated she would clarify the billing invoice with Time & Season.

After review and discussion, Director Olsen moved to approve the bookkeeper's report and the checks presented for payment. Director Cox 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 85.3%. He stated MDS is investigating the lower-than-normal accountability to determine if any of the interconnects with adjacent districts were inadvertently opened.

Mr. Chapline requested approval to write off three accounts totaling \$1,229.26 deemed uncollectible and submit same to a collections agency.

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.

REVIEW DROUGHT CONTINGENCY PLAN, ADOPT ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Ms. Judkins 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 2024, prior to May 1st. She noted no changes were received from the operator and the engineer.

REVIEW WATER CONSERVATION PLAN, ADOPT ORDER ADOPTING AMENDED AND RESTATED WATER CONSERVATION PLAN

Ms. Judkins stated that the TCEQ rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2024. Discussion ensued.

After discussion, Director Olsen moved to: (1) approve the operator's report; (2) authorize MDS to write off three delinquent accounts totaling \$1,229.26 and forward the accounts to collections; (3) adopt an 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; (4) adopt an Order Adopting Amended and Restated Water Conservation Plan, subject to final review, and direct that the Order be filed appropriately and retained in the District's official records; and (5) authorize the operator to prepare the Water Loss Audit and to submit the same to the TWDB. 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 Cox 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 distributed and reviewed the updated CIP, a copy of which is attached to the engineer's report. Discussion ensued regarding the projects for the current year and status of same.

#### PARK YORK FORCE MAIN REPLACEMENT, INCLUDING EASEMENT ACQUISITION

Ms. Hallaway stated that BGE is currently preparing the plans for this project. She stated the design is ongoing.

#### 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.

Ms. Hallaway stated that Harris County has awarded the contract to R. Construction for the Cimarron Sections 2,3,4 and 5 drainage improvements project. She stated the underground work is complete and the contractor is working on restoring the surface conditions.

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

Ms. Hallaway stated that BGE has received approval of the plans and specifications from Harris County. She requested authorization to advertise for bids.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Ms. Hallaway stated CSE W-Industries, Inc. ("CSE") is the contractor for the generator replacement project. She stated the contractor has completed the initial site work and is waiting for the generator to be brought on site. She discussed the efforts required to deliver the generator to the plant site.

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

Ms. Hallaway stated that the contractor for the sanitary sewer line televising and cleaning for Cimarron, Sections 1, 2 and 3 and Memorial Parkway, Sections 6, 7, and 8 is Chief Solutions ("CS"). She requested approval of Pay Estimate No. 2 in the amount of \$18,876.78.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway updated the Board on the status of bond application no. 9 and stated the draft application will be completed soon.

UPDATE ON CINCO REGIONAL SEWAGE TREATMENT PLANT ("CINCO  
PLANT") EMERGENCY TRUNKLINE PHASES 5 AND 7 REPAIRS

Ms. Hallaway discussed emergency trunkline repairs, including the incursion of stormwater into the Cinco Plant from a failed trunkline, and stated the contractor has built a berm to block the flow from entering the existing trunkline. She stated the bypass has also been extended to the plant headworks. Ms. Hallway stated BGE is waiting on tapes from the televising of the trunkline prior to preparation of a change order for the repairs to the line.

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

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

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to: (1) approve the engineer's report; (2) authorize advertisement

for bids for the sanitary sewer rehabilitation for Memorial Parkway, Sections 3, 4, and 5; (3) approve Pay Estimate No. 2 in the amount of \$18,876.78 payable to CS; and (4) authorize BGE to submit any necessary updates to the EPP, as discussed. Director Cox seconded the motion, which passed by unanimous vote.

REPORT ON WEST MEMORIAL MUNICIPAL UTILITY DISTRICT SEWAGE TREATMENT PLANT MEETING AND PROPOSED PLANT IMPROVEMENTS

Director Cox distributed and reviewed a status report for the West Memorial plant. A copy of the report is attached.

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

Ms. Lightsey stated there is damage to one of the administration building great room walls from a party rental. She stated that proposals for the repairs will be presented at the next meeting. She noted the deposit check for the rental is being held until repairs are complete, and that the renter will be responsible for the cost of the repairs.

Ms. Lightsey stated that a few residents have complained about Best Trash employees mishandling the trash carts during pick up and breaking the wheels. She stated she has contacted Best Trash for further handling.

Discussion ensued regarding other district board meetings held at the District's administration building and their noncompliance with prior cleaning requests. Director Brown presented and reviewed a proposed letter to be sent to all municipal utility districts who currently utilize the administration building for their board meetings at no cost, regarding the implementation of cleaning fees if a district does not comply with the cleaning requirements. After discussion, following a motion by Director Olsen which was seconded by Director Cox, the Board approved the letter for distribution, subject to final review.

Ms. Lightsey stated that the BAPS Group has requested to use the board room for their meetings. The Board discussed the cleaning requirements and concurred the reservation should be scheduled as a party rental subject to the administration building reservation policy.

Ms. Lightsey stated a resident has requested to use propane for cooking indoors for a party reservation. After discussion, the Board concurred to deny the request for use of propane indoors at the District administration building.

APPROVE QUARTERLY DISTRICT NEWSLETTER

There was no discussion on this matter.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY (THE "WHCRWA")

There was no discussion on this matter.

2024 DIRECTORS ELECTION

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

Ms. Judkins 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 two candidate applications for the two director positions for the May 4, 2024, Directors Election. Following review and discussion, Director Goff moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors. Director Brown seconded the motion, which passed unanimously.

ADOPT ORDER CANCELLING ELECTION AND DECLARING UNOPPOSED CANDIDATES ELECTED TO OFFICE

Ms. Judkins presented an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 4, 2024, Directors Election is cancelled and that the unopposed candidates, Michael Olsen and George Goff, are declared elected to office to serve from the May 4, 2024, election until the May 6, 2028, Directors Election. Following review and discussion, Director Goff moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office and direct that the Order be filed appropriately and retained in the District's official records. The motion was seconded by Director Brown and passed unanimously.

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

(SEAL)



  
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Secretary, Board of Directors

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