

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

April 26, 2018

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 26th day of April, 2018, 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, except Director Savage, thus constituting a quorum.

Also present were Virginia Goff, Sandra Joe, Milton Parker and Robbie Sieman, members of the public; Ross Hosket of Harris County Engineering Department ("HCED"); Greg Sissel of BKD, LLP; Ryan Fortner of Wheeler and Associates, Inc. ("Wheeler"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Jorge Diaz of McLennan & Associates, L.P. ("McLennan"); Doug Baker of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Annette Stephens and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

2018 DIRECTORS ELECTION

There was no discussion on this matter.

MINUTES

The Board considered approving the minutes of the March 22, 2018, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the March 22, 2018, regular meeting. Director Cox seconded the motion, which carried by unanimous vote.

APPROVE AUDIT FOR FISCAL YEAR END DECEMBER 31, 2017

Mr. Sissel reviewed the audit for the District's fiscal year ending December 31, 2017. After discussion, Director Cathcart moved to approve the audit, subject to final review. Director Cox 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 March, a copy of which is attached. He stated the report reflects that the District's 2017 taxes were 95.73% collected as of the end of March. 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 carried by unanimous vote.

Mr. Fortner reviewed a delinquent tax roll, a copy of which is attached to the tax assessor's report.

Mr. Fortner stated that Wheeler has completed the annual research for unclaimed property in the District from March 2, 2014 through March 1, 2015, and stated there was no unclaimed property. A copy of the report is attached.

BOOKKEEPER'S REPORT

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

Mr. Diaz noted check no. 14398 in the amount of \$225,000, payable to Harris County's Public Infrastructure Department, is for the District's share of the construction costs for the Mason Creek hike and bike trail extension.

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.

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 94.0% for March 2018.

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

Mr. Chapline reported there were six accounts totaling \$1,363.93, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Mr. Chapline stated the installation of the six-foot fence with barbed wire adjacent to water plant no. 4 is complete.

After review and discussion, Director Cathcart moved to approve the operator's report and write off the six delinquent accounts totaling \$1,363.93 that 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. Director Cox seconded the motion which carried by unanimous vote.

Mr. Chapline reviewed the annual report on the Identity Theft Prevention Program. Mr. Chapline stated that no incidents of identity theft have occurred since the policy was implemented and that MDS is not recommending any changes to the policy at this time.

CUSTOMER REQUESTS

Ms. Johnson stated that a garden club representative inquired about renting the District administration building to host a garden sale fundraiser on a Saturday in 2019. Discussion ensued regarding the pricing for the rental, including pricing for non-profit organizations and insurance requirements. The Board requested more information for consideration.

TERMINATION OF SERVICE

The Board next 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 Violet Dinnebeck and Ioannis Mouzourakis 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 May 2, 2018, if their utility bills are not paid in accordance with the District's Rate Order, except for Violet Dinnebeck and Ioannis Mouzourakis 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.

ADOPT AMENDED RATE ORDER

Discussion ensued regarding the required deposit pursuant to the District' Rate Order and the possible increase required to cover the costs associated with disconnected accounts and accounts written off by the District. The Board concurred to defer action on this item, subject to receipt of additional information from the District's operator.

APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN AND AUTHORIZE SUBMITTAL TO THE TEXAS WATER DEVELOPMENT BOARD

The Board reviewed the District's Water Conservation Plan. After review and discussion, Director Cox moved to approve and authorize the submittal of the annual report on implementation of the Water Conservation Plan to the Texas Water Development Board and direct that the report be filed appropriately and retained in the District's Official Records. Director Cathcart seconded the motion, which carried by unanimous vote.

ENGINEER'S REPORT

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

APPROVE PAY ESTIMATES, CHANGE ORDERS, AND FINAL ACCEPTANCE AND DIRECT ENGINEER TO NOTIFY INSURANCE COMPANY OF NEW FACILITY FOR GROUND STORAGE TANK, HYDRO TANK REHABILITATION AND BOOSTER PUMP REPLACEMENT AT WATER PLANT NO. 1

Mr. Baker recommended approval of Pay Estimate No. 5, in the amount of \$110,462.53 to Nunn Constructors, Inc., for the water plant no. 1 rehabilitation project.

TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

The Board deferred discussion regarding the rehabilitation of the sanitary sewer system in Cimarron Subdivision, Sections 1 and 2.

WATER MODELING STUDY

Mr. Baker reported that BGE has received results from the water modeling study. He stated the study indicated an operational issue at water plant no. 3, and BGE and MDS are working to address the issue.

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

There was no discussion on this matter.

SUNDANCE VALLEY ROAD AND SANITARY SEWER LINE REPAIRS

Mr. Baker discussed the sanitary sewer line along Sundance Valley Road and stated that after inspection, there were multiple sewer line cracks and roots found throughout the system, resulting in blockages. He stated that MDS has completed televising and the estimate for the repair of the line is approximately \$40,000 to \$60,000. Mr. Baker stated he will bring bids for the repair to the May Board meeting.

PARK BEND AND STRAWBERRY PARK STORM SEWER INLET IMPROVEMENTS

Ms. Joe addressed the Board with her concerns regarding the grate-style storm sewer inlets in several residents' driveways on Park Bend Drive and Strawberry Park. She stated the inlets often become clogged with debris, and she personally has had to clear the inlets during storms. Mr. Baker noted Harris County is responsible for maintenance of the storm sewers. Mr. Hosket stated that HCED is planning to upgrade storm sewer inlets that do not meet current Harris County requirements. He stated the inlets located at Park Bend Drive and Strawberry Park meet current Harris County requirements and, therefore, HCED will not participate in cost sharing for improvements to remove the inlets from the driveways and relocate them to the curbs.

Mr. Baker stated there are five inlets located in the residents' driveways, and that he recommends that the five grated inlets be replaced with curb inlets. Discussion ensued regarding the potential cost of the improvements and potential for reimbursement by Federal Emergency Management Agency.

Mr. Hosket stated that the HCED would assist the District with any necessary permits if the District chooses to proceed with such improvements, including by waiving the permitting fees.

CAPITAL IMPROVEMENT PLAN

Mr. Baker reviewed an updated Capital Improvement Plan, a copy of which is included in the engineer's report.

OTHER ENGINEERING MATTERS

There were no additional engineering matters.

Following review and discussion, Director Cathcart moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 5 in the amount of \$110,462.53, payable to Nunn Constructors, Inc.; and (3) authorize BGE to solicit for bids for the improvements to the five storm sewer inlets located on Park Bend Drive and Strawberry Park. 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, INCLUDING PROPOSAL FOR TREE TRIMMING

Ms. Johnson distributed and reviewed a proposal from Byron Bruesse Tree Trimming Services in the amount of \$ 1,875.00 for tree trimming at the administration building, a copy of which is attached. After discussion, Director Cathcart moved to approve the proposal from Byron Bruesse tree Trimming Services in the amount of \$1,875.00 for tree trimming at the administration building. Director Cox seconded the motion, which carried by unanimous vote.

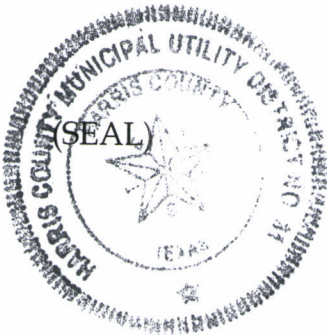
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

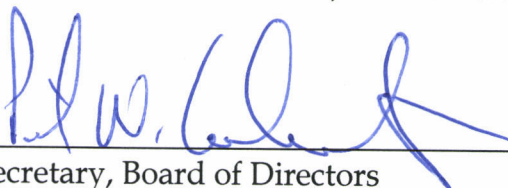
There was no discussion on this matter.

DISCUSS RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Cannon discussed the District's current insurance policies through McDonald & Wessendorff Insurance and noted that the policies expire June 1, 2018. After discussion, the Board concurred to defer action on of submitted proposals to the May meeting.

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




Secretary, Board of Directors

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