

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

April 27, 2017

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 April, 2017, and the roll was called of the duly constituted members of the Board of Directors, 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 Terry Savage, a member of the public; Stanley Signature Signs & representative of Daktronics; Gregg Nady, a resident of the District; Ryan Fortner of Wheeler and Associates, Inc.; Greg Sissel of BKD, LLC; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Diane Doyle and Jorge Diaz of McLennan & Associates, L.P. ("McLennan"); Doug Baker of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

ELECTRONIC DISTRICT SIGN, INCLUDING PROPOSALS FOR PANEL SIGN

The Board reviewed samples of the programmable LED signs provided by Stanley Signatures Signs at the administrative building parking lot. After discussion the Board concurred to request a revised proposal for the sign.

REQUEST FOR FUNDING HARRIS COUNTY PRECINCT'S EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD, INCLUDING EASEMENT ACQUISITION

Ms. Carner updated the Board on the request for the Harris County extension of the hike and bike trail. Discussion ensued.

APPROVE AUDIT FOR FISCAL YEAR END DECEMBER 31, 2016

Mr. Sissel reviewed the audit for the District's fiscal year ending December 31, 2016. After discussion, Director Cathcart moved to approve the audit, subject to final review. Director Cox seconded the motion, which carried by unanimous vote.

MINUTES

The Board considered approving the minutes of the March 23, 2017, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the March 23, 2017, regular meeting. Director Goff seconded the motion, which carried by unanimous vote.

APPROVE PROPOSAL FOR ARBITRAGE REBATE AND YIELD RESTRICTION CALCULATION SERVICES FOR DISTRICT BOND ISSUES

Ms. Carner reviewed a proposal with OmniCap Group, LLC, to perform arbitrage rebate calculation for the Series 2012 Bonds. After discussion, Director Cox moved to engage OmniCap Group, LLC, to perform the arbitrage rebate calculation for the Series 2012 Bonds. Director Cathcart 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 2016 taxes are 96.22% collected as of the end of March. After discussion, Director Goff moved to approve the tax assessor/collector's report and pay the bills. 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.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Carner reviewed the insurance proposal from McDonald & Wessendorff Insurance for renewal of the District's insurance policies. After discussion, Director Goff moved to approve the insurance proposal to renew the District's existing policies, adding additional travel insurance to cover Starr Johnson and Doris Vogt to the current policy. Director Cathcart seconded the motion, which carried by unanimous vote.

BOOKKEEPER'S REPORT

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

actual comparison, and the debt service requirements. After discussion, Director Cox moved to approve the bookkeeper's report and the checks presented for payment. Director Cathcart 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 97.0% for March 2017.

Mr. Chapline reviewed additional repair and maintenance items performed during the month. He then presented a list of delinquent accounts that are deemed not to be collectible and requested authorization to write off the delinquent accounts and submit same to a collection agency.

Mr. Chapline reported on the results of the backflow survey conducted on the commercial connection sewer lines, a copy of which is attached. He stated that out of 127 commercial sewer lines, 38 were non-compliant with the District's rate order. Discussion ensued regarding the request for commercial properties to repair or complete maintenance on the back flow preventers.

After review and discussion, Director Goff moved to (1) approve the operator's report; (2) write off the delinquent accounts 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; and (3) approve MDS to notify the commercial entities with back flow preventers in need of repair, allowing up to 30 days for repairs that, in the operator's opinion could create a hazard to the District facilities and up to 90 days for all other repairs. Director Cox seconded the motion, which carried by unanimous vote.

CUSTOMER REQUESTS

Ms. Johnson reported that Mr. Browning contacted the District regarding his ongoing concerns relating to the District billing system. After discussion, the Board concurred to take no action.

ANNUAL REPORT ON IDENTITY THEFT PREVENTION PROGRAM

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.

CONSUMER CONFIDENCE REPORT

Mr. Chapline reviewed the Consumer Confidence Report ("CCR") with the Board. After discussion, Director Cox moved to approve the CCR and authorize the operator to mail the CCR to residents and file the notice of mailing of the CCR with the Texas Commission on Environmental Quality ("TCEQ"). Director Goff seconded the motion, which carried by unanimous vote.

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 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 Pamela Dore and Monica Molinas requested an extension for payment of their delinquent accounts.

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, 2017, if their utility bills are not paid in accordance with the District's Rate Order, except Pamela Dore and Monica Molinas 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.

ENGINEER'S REPORT

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

GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 1

Mr. Baker stated the Application to the Texas Commission on Environmental Quality (the "TCEQ") for Use of Surplus Funds and Change in Project Scope was submitted for the booster pump replacement and the ground storage tank and hydro-tank rehabilitation project. He stated the design plans have begun.

GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 4

Mr. Baker stated that the final inspection by the TCEQ was held on Tuesday, December 20, 2016.

REPLACEMENT OF WELL MOTOR AND WELL ASSEMBLY AT WATER WELL NO. 4 AND PROPOSALS FOR WELL COVER AT WATER WELL NO. 4

Mr. Baker stated that Schier Construction will install the well enclosure.

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 resumed the water modeling study since water plant no. 4 became operational and is in process of conducting calibration testing.

INSTALLATION OF SIDEWALK ALONG CIMARRON PARKWAY BETWEEN MASON ROAD AND MESA TERRACE

Mr. Baker stated construction of the sidewalk by Harris County is underway.

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

Mr. Baker reported that a preconstruction meeting was held regarding the force main project which will transfer wastewater from George Bush Park to the Cinco Regional Wastewater Treatment Plant, and a notice to proceed was issued on March 6, 2017.

Mr. Baker reported that a resident notified the District of sinkholes adjacent to multiple drainage structures near a Harris County Flood Control District ("HCFCD") ditch (T101-07) north of Cimarron Parkway. He stated BGE informed the HCFCD, and HCFCD is expected to repair the sinkholes within three to six months.

Mr. Baker presented and reviewed a 1982 easement for a storm water line between two residences on Red Rock Canyon Drive. In response to a customer complain of a blockage, Harris County (the "County") had repaired the storm water line, but stated the storm water line belongs to the District. After discussion, the Board concurred to request that the County accept the storm water line.

Following review and discussion, Director Cathcart moved to approve the engineer's report. 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 reported on the West Memorial Sewage Treatment Plant meeting. Discussion ensued regarding West Memorial's lift station rehabilitation project, and West Memorials failure to notify the District of same. Mr. Baker stated he provided them with contact information for MDS for future notifications.

REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE
OFFICE BUILDING AND DISTRICT WEBSITE

Ms. Johnson reported on the maintenance of the administrative building.

Ms. Johnson presented a proposal from City Maintenance in the amount of \$1,175.00 to install three new LED floodlights at the front of the administrative building, a copy of which is attached. After review and discussion, Director Cox moved to approve the proposal from City Maintenance in the amount of \$1,175.00 install three new LED floodlights at the front of the administrative building and direct that the proposal be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

There was no discussion on this matter.

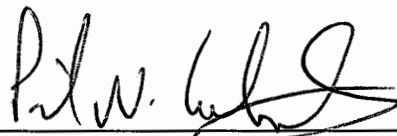
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS
GOVERNMENT CODE TO DELIBERATE THE APPOINTMENT, EMPLOYMENT,
EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A
PUBLIC OFFICER OR EMPLOYEE

The Board convened in Executive Session at 7:05pm to discuss employment matters. Ms. Johnson, 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

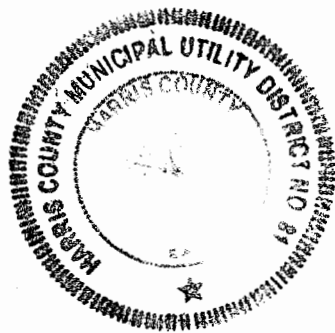
The Board reconvened in open session at 7:10pm. After discussion, Director Brown moved to purchase insurance for Ms. Jonson, as discussed. Director Goff seconded the motion, which passed by unanimous vote.

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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