

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

May 23, 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 23rd day of May, 2024, and the roll was called of the members of the Board:

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| Patrick Cathcart | President |
| Bruce Cox | Vice President |
| Michael Olsen | Secretary |
| George Goff | Treasurer |
| Donna Brown | Assistant Secretary |

and all of said persons were present, except Director Olsen, thus constituting a quorum.

Also attending the meeting were Jayne La Verne, a resident of the District; Pam Redden 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 Katie Carner, Teshia Judkins, and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There was no discussion on this matter.

MINUTES

The Board considered approving the minutes of the April 25, 2024, regular meeting. After discussion, Director Brown moved to approve the minutes of the April 25, 2024, regular meeting. Director Cox seconded the motion, which passed by unanimous vote.

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 88%. Mr. Chapline stated the low accountability is due to tank inspections and fire hydrant flushing.

Mr. Chapline requested approval to write off two accounts totaling \$71.95 deemed uncollectible and submit same to a collections' agency.

Mr. Chapline also updated the Board regarding the performance of District facilities during recent storms, noting no major issues.

After discussion, Director Olsen moved to approve the operator's report and authorize MDS to write off two delinquent accounts totaling \$71.95 and forward the accounts to collections. 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 Cox 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 Goff 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 April 2024. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2023 taxes were 94.58% collected as of the end of April.

After discussion, Director Cox moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Brown 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, INCLUDING AMEND BUDGET

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 distributed and reviewed a proposed amendment to the budget for fiscal year ending December 31, 2024 and stated the line item for sewer revenue has been revised to reflect the sewer rate increase previously approved by the Board due to an increase in the cost of garbage and recycling services.

Director Goff inquired about two \$200.00 delivery charges on the invoice from Time & Season Property Management on two consecutive days. Discussion ensued regarding the delivery charges and consolidation of deliveries to minimize these fees.

After review and discussion, Director Cox moved to: (1) approve the bookkeeper's report and the checks presented for payment; and (2) adopt the amended budget for fiscal year ending December 31, 2024, as presented. Director Brown seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

There was no discussion on this matter.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board reviewed the Travel Reimbursement Guidelines for attendance at the AWBD summer conference. After discussion, Director Cox moved to authorize three hotel nights and reasonable meals for directors attending the AWBD summer conference. Director Brown seconded the motion, which carried by unanimous vote.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12

The Board considered authorizing preparation and filing of the District's Annual Report in accordance with Securities and Exchange Commission Rule 15c2-12. Ms. Carner explained that the District's bond resolutions require the District to update certain financial information about the District on an annual basis. After discussion, Director Goff moved to approve and authorize filing of the Annual Report. Director Cox seconded the motion, which passed by unanimous vote.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the Procedures for Continuing Disclosure Compliance and concurred that no changes are needed at this time.

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 the force main replacement project. Discussion ensued regarding the acquisition of certain easements across approximately 14 lots for this project and the related services recommended for such acquisition to facilitate the acquisition of the easements, including the related correspondence with property owners regarding same. Ms. Judkins then reviewed and discussed an engagement letter with Phelps Dunbar LLP to provide related legal services, an agreement with Property Acquisition Services, LLC to provide related easement acquisition services, and an agreement with Integra Realty Resources-Houston to provide related appraisal services.

WATER PLANT NO. 3 ELEVATED STORAGE TANK REHABILITATION

Ms. Hallaway stated that BGE is preparing a proposal for the Water Plant No. 3 elevated storage tank rehabilitation project and is evaluating options to review the integrity of the foundation.

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 the contractor for the Cimarron Sections 2, 3, 4 and 5 drainage improvements project is R. Construction. She stated the project is complete.

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. Ms. Hallaway stated BGE plans to advertise for bids in June and receive bids in July.

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 generator has been installed and the Texas Commission on Environmental Quality inspection is complete. Ms. Hallaway then requested approval of Pay Estimate No. 2 and Final in the amount of \$258,819.00.

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 stated BGE is currently reviewing the sanitary sewer line televising tapes. Ms. Hallaway then requested approval of Pay Estimate No. 3 in the amount of \$41,160.60.

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.

Following review and discussion, and based on the engineer's recommendation, Director Goff moved to: (1) approve the engineer's report; (2) approve Pay Estimate No. 2 and Final in the amount of \$258,819.00, payable to CSE for the generator replacement project and to accept the project for District maintenance; (3) approve Pay Estimate No. 3 in the amount of \$41,160.60, payable to CS; (4) approve the engagement letter with Phelps Dunbar LLP to provide legal services; and (5) approve agreements with Property Acquisition Services, LLC to provide related easement acquisition services and Integra Realty Resources-Houston to provide related appraisal services, as discussed, subject to ABHR's final review of the form of the agreements. 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 discussed the recent storm and its impact on the District administration building alarm and internet system. She presented a proposal from Team Wired for the replacement of the alarm cell to correct connection issues with the alarm and internet system in the amount of \$795.97. After discussion, Director Brown moved to approve the proposal from Team Wired in the amount of \$795.97, for the replacement of the alarm cell, as discussed. Director Goff seconded the motion, which carried by unanimous vote.

Ms. Lightsey further discussed the benefits of having two locked storage closets for additional storage in the administration building. She presented a proposal from City Maintenance in the total amount of \$2,276.00 to install shelving in two closets for organizing supplies. A copy of the proposal is attached. Discussion ensued regarding the alternate line item on the proposal to include additional shelving in the rear of the closet in the Board room in the amount of \$721.00. After discussion, Director Brown moved to approve the proposal from City Maintenance in the amount of \$1,555.00, excluding the additional shelving in the rear of the closet in the Board room in the amount of \$721.00. Director Goff seconded the motion, which carried by unanimous vote.

Ms. Lightsey then presented and reviewed two proposals from B&B Locksmiths, one in the amount of \$689.20 for the installation of a new lock on the administration board room closet and another in the amount of \$859.05 for the installation of a new lock as well as framework for the lock installation on the closet near the kitchen. A copy of the proposals are attached. After discussion, Director Brown moved to approve the two proposals in the total amount of \$1,548.25 for the installation of the locks. Director Goff seconded the motion, which carried by unanimous vote.

The Board discussed purchasing a small ice machine for the administration building kitchen in the amount of \$399.00. After discussion, the Board did not take action.

Ms. Lightsey reported that City Maintenance has completed the repair to the administration building's great room wall, which was damaged during a party rental. Discussion ensued. Ms. Lightsey confirmed that the renter will be billed for the total cost of the repair.

The Board also discussed the recent storm, the resulting debris, and Best Trash's contractual limitations on picking up storm debris. The Board then discussed the services provided by Harris County for storm debris pick up and the hotline for same to give to residents upon inquiry.

AUTHORIZE PREPARATION OF QUARTERLY DISTRICT NEWSLETTER

The Board discussed articles to be included in the third quarter District newsletter. After discussion, Director Goff moved to authorize preparation of the third quarter District newsletter. Director Cox seconded the motion, which carried by unanimous vote.

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

There was no discussion on this matter.

INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT FOR WATER CONSERVATION EDUCATION PROGRAM

Ms. Carner presented a draft Interlocal Agreement for the 2024-25 Water Wise Program. After review and discussion, Director Brown moved to approve the Interlocal Agreement for the Water Wise Program and direct that the Agreement be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed by unanimous vote.

2024 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of George Goff and Michael Olsen to the Board of Directors of the District each for a four-year term. Ms. Carner reviewed the Sworn Statements and Oaths of Office for Directors Goff and Olsen.

The Board considered reorganizing the Board of Directors. After discussion, the Board concurred to remain in their current Director positions.

The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ"), reflecting the terms of the re-elected directors.

After review and discussion, Director Brown moved to take the following actions and direct that all documents be filed appropriately and retained in the District's official records: (1) approve the Certificate of Election and the distribution of same to Directors Goff and Olsen; (2) approve the Sworn Statements and Oaths of Office and direct that the Oaths of Office be filed with the Secretary of State, as required by law; and (3) authorize filing of the updated District Registration Form with the TCEQ. Director Cox seconded the motion, which passed unanimously.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Carner discussed the Texas Public Information Act ("TPIA") and noted that the Texas Legislature has made it explicit that officers and employees of governmental entities are temporary custodians of public information. She distributed a memorandum regarding Texas Open Meetings Act ("TOMA") and TPIA training requirements, noted that all Directors have previously completed TOMA training, and encouraged the Board of Directors to receive TPIA training as soon as possible and forward their certificate of completion to ABHR for inclusion in the District's permanent records.

DISCUSS FALL SHRED EVENT

Ms. Carner confirmed that the fall shred event is scheduled for October 12, 2024.

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



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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