

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

May 24, 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 24th day of May, 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, thus constituting a quorum.

Also present were Terry Savage and Tina Miller, members of the public; 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"); Lindsay Kovar of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Holly Huston of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the April 26, 2018, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the April 26, 2018, regular meeting. Director Brown 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 April, a copy of which is attached. He stated the report reflects that the District's 2017 taxes were 97.35% 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 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 received 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 noted receipt of payment from Nottingham County Municipal Utility District in the amount of \$264,762.50, for the interconnect usage fees during and after Hurricane Harvey

Ms. Lutz presented four additional checks, including check no. 14508 payable to BGE for engineering services, in the amount of \$5,688.50, check no. 14509 payable to BKD, LLP, for auditing services for the fiscal year end December 31, 2017, in the amount of \$18,900, check no. 1280 payable to BGE for engineering services for the construction administration for the Water Treatment Plant No. 1 rehabilitation, in the amount of \$2,416.05, and check no. 1281 payable to BGE for engineering services for project reporting for the Water Treatment Plant No. 1 rehabilitation, in the amount of \$1,040.

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

## AMEND BUDGET FOR FISCAL YEAR END DECEMBER 31, 2018

The Board considered amending the budget for the fiscal year end December 31, 2018 to include an expense item to track community projects funded by sales tax revenue received from the City of Houston pursuant to the Strategic Partnership Agreement line item to Community Capital Projects to track funding used on community projects with revenue received from the City of Houston per the Strategic Partnership Agreement. Following discussion, the Board concurred to request McLennan to prepare and present a report of all previous community project expenditures in the monthly bookkeeper's reports. The Board did not amend the budget.

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

Ms. Carner reviewed the Travel Reimbursement Guidelines for attendance at the AWBD summer conference. After discussion, Director Cathcart moved to approve reimbursement of eligible expenses from the AWBD summer conference. Director Cox 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 update certain financial information about the District on an annual basis. After discussion, Director Cox moved to approve and authorize filing of the Annual Report. Director Brown 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.

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 93.2% for April 2018.

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

Mr. Chapline reported there were eleven accounts totaling \$2,255.12, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

After review and discussion, Director Cathcart moved to approve the operator's report and write off the eleven delinquent accounts totaling \$2,255.12 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.

REVIEW CRITICAL LOAD SPREADSHEET FOR DISTRICT'S FACILITIES AND AUTHORIZE ANNUAL FILING

The Board reviewed the District's Critical Load Spreadsheet. Mr. Chapline noted that the District's bookkeeper, engineer, and operator have reviewed and approved the Critical Load Spreadsheet. After review and discussion, Director Cathcart moved to authorize annual filing of the Critical Load Spreadsheet and direct that the Critical Load Spreadsheet be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed by unanimous vote.

## ADOPT AMENDED RATE ORDER

Discussion ensued regarding the required deposits pursuant to the District's Amended Rate Order and the possible increase required to cover the costs associated with disconnected accounts and accounts written off by the District. Following discussion, Director Cathcart moved to approve the Amended Rate Order to reflect the increase of the maximum deposit to \$350.00. Director Cox seconded the motion, which passed by unanimous vote.

## CUSTOMER REQUESTS

There were no customer requests discussed this month.

## 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 Molinas, Lake, Dodson-Berry, and Currie 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 June 5, 2018, if their utility bills are not paid in accordance with the District's Rate Order, except for Molinas, Lake, Dodson-Berry, and Currie and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which passed unanimously.

## ENGINEER'S REPORT

Ms. Kovar 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

Ms. Kovar recommended approval of Pay Estimate No. 6, in the amount of \$136,609.97 to Nunn Constructors, Inc., for the water plant no. 1 rehabilitation project. Discussion ensued regarding the mismatched colors for the tanks. Ms. Kovar stated BGE would obtain a proposal to paint all tanks the same color.

## SUNDANCE VALLEY ROAD AND SANITARY SEWER LINE REPAIRS

Ms. Kovar updated the Board on the sanitary sewer line blockages along Sundance Valley Road. She reviewed three bids for the Sundance Valley Road sanitary sewer repairs and recommended approval of the MDS bid in the amount of \$44,640. Ms. Carner noted the work could be performed under MDS's existing service agreement with the District.

## PARK BEND AND STRAWBERRY PARK STORM SEWER INLET IMPROVEMENTS

Ms. Kovar stated that BGE has completed the survey and currently is working on the design of the project.

## WATER MODELING STUDY

Ms. Kovar reported that BGE has received results from the water modeling study. She 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.

## OTHER ENGINEERING MATTERS

There were no additional engineering matters.

Following review and discussion, Director Goff moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 6 in the amount of \$136,609.97, payable to Nunn Constructors, Inc.; and (3) authorize MDS to complete the repairs to the sanitary sewer line along Sundance Valley Road, in the amount of \$44,640. Director Cathcart seconded the motion, which carried by unanimous vote.

## WEST MEMORIAL MUNICIPAL UTILITY DISTRICT ("WEST MEMORIAL") SEWAGE TREATMENT PLANT MEETING AND PROPOSED PLANT IMPROVEMENTS

Director Brown updated the Board on the West Memorial Plant site and reported on the West Memorial Sewage Treatment Plant meeting. Discussion ensued.

## OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE AND DISTRICT WEBSITE, INCLUDING PROPOSAL FOR TREE TRIMMING

Ms. Johnson reviewed a proposal from Rook's Heating and Air Conditioning ("Rook's") in the amount of \$11,250, for the replacement of the air conditioning unit in

the administrative building's attic, a copy of which is attached. After discussion, Director Brown moved to approve the proposal from Rook's Heating and Air Conditioning in the amount of \$11,250, for the replacement of the air conditioning unit in the administrative building's attic and authorize execution of the Service Agreement with Rook's for same. Director Cox seconded the motion, which carried by unanimous vote.

Ms. Johnson requested Board authorization to purchase a three-year warranty for the refrigerator in the District office, in the amount of \$248.61. Following discussion Director Cathcart moved to authorize Ms. Johnson to purchase a three-year warranty for the refrigerator, in the amount of \$248.61. 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

There was no discussion on this item.

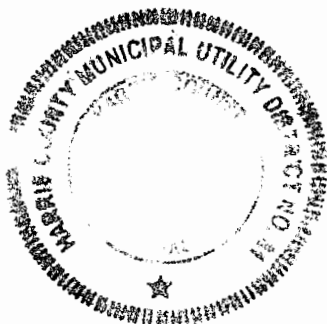
DISCUSS JUNE MEETING SCHEDULE

The Board confirmed the June regular Board meeting will be held at 6:15pm on June 28, following the Cinco Plant Meeting.

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

	Minutes
	<u>Page</u>
Tax assessor/collector's report .....	1
Bookkeeper's report.....	2
Operations report.....	3
Engineer's report.....	4
Rook's Heating and Air Conditioning proposal.....	6