

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

May 25, 2023

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 25th day of May 2023, 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, except Director Olsen, thus constituting a quorum.

Also attending the meeting were 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 and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board considered approving the minutes of the April 27, 2023, regular meeting. After discussion, Director Brown moved to approve the minutes of the April 27, 2023, regular meeting. 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 2023. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2022 taxes were 96.50% 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 Goff seconded the motion, which passed by unanimous vote.

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 invoice from H2O Lab in the amount of \$5,168.00. Discussion ensued regarding the District's participation in the Water Wise Conservation program through the Harris/Galveston Subsidence District and sponsorship of same for Garfield Elementary school. Ms. Carner noted that ABHR will verify the invoice before the check is released for payment.

After review and discussion, Director Cox moved to approve the bookkeeper's report the checks presented for payment. Director Brown seconded the motion, which passed by unanimous vote.

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.

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 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 distributed and reviewed the operator's report, a copy of which is attached. He stated the water accountability for the month is 98.8%.

Mr. Chapline discussed outstanding back-charges for restoration repairs in the amount of \$10,000.00. He stated the charges were from damage caused by boring contractors that installed fiber optic cable. Discussion ensued regarding collection efforts and costs of same.

PROPOSAL FOR DISTRICT MAGNETS

There was no discussion on this matter.

UPDATE ON WATER PLANT NO. 1 BOOSTER PUMP NO. 3 PUMP AND MOTOR REPAIRS, LIFT STATION NO. 1 LIFT PUMP NO. 2 REPLACEMENT, AND WATER WELL NO. 1 REHABILITATION

Mr. Chapline updated the Board on booster pump no. 3 pump and motor repairs at water plant no. 1 and stated the repairs are complete.

Mr. Chapline updated the Board on the lift station no. 1 lift pump no. 2 replacement and stated the replacement is complete.

Mr. Chapline stated the parts for the water well no. 1 repair have been delivered and the repair is expected to be completed in approximately three weeks.

RENEWAL OF EMERGENCY WATER INTERCONNECT AGREEMENT WITH NOTTINGHAM MUNICIPAL UTILITY DISTRICT

Mr. Chapline stated the renewal of the Interconnect Agreement is currently being prepared.

After discussion, Director Brown moved to (1) approve the operator's report; and (2) authorize MDS to write off the uncollectable back-charges 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 Brown 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.

PARK YORK FORCE MAIN REPLACEMENT

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

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 and construction is underway.

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

Ms. Hallaway stated that BGE has reviewed the televised lines and recommended an extensive rehabilitation of the system. She stated the recommended repairs have an estimated cost of \$1,286,000.00. Discussion ensued regarding authorizing design for the rehabilitation project.

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 awaiting the delivery of the generator.

CAPITAL IMPROVMENT PLAN ("CIP"), INCLUDING CIMARRON, SECTIONS 1, 2 AND 3 SANITARY SEWER LINE REHABILITATION AND MEMORIAL PARKWAY, SECTIONS 6, 7 AND 8 SANITARY SEWER LINE REHABILITATION

Ms. Hallaway discussed the CIP and recommended that the Cimarron, Sections 1-3 and the Memorial Parkway, Sections 6-8 be moved to up to 2023, based on the sanitary sewer line investigation results. She noted the estimated cost for cleaning and televising for Cimarron Sections 1-3 is \$127,491.00 and the estimated cost for cleaning and televising for Memorial Parkway is \$47,822.00.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway stated BGE is currently finalizing bond application no. 9. The Board discussed including the Cimarron Subdivision drainage improvements, Park York Force main replacement, and the two 2023 CIP projects in the bond application.

REPORT ON WEST MEMORIAL MUNICIPAL UTILITY DISTRICT SEWAGE TREATMENT PLANT MEETING AND PROPOSED PLANT IMPROVEMENTS, INCLUDING LEGAL CONFLICTS WAIVER AND DISCUSS AND IF APPROPRIATE, APPROVE FIRST AMENDMENT TO WASTE TREATMENT AGREEMENT

Ms. Carner presented and reviewed a legal conflicts waiver in connection with the preparation and review of First Amendment to the Waste Treatment Agreement with the Plant Participants, including Cimarron Municipal Utility District and Interstate Municipal Utility District. Discussion ensued.

Ms. Carner discussed the proposed First Amendment to the Waste Treatment Agreement with West Memorial and the Plant Participants. She stated this Amendment would extend the Agreement for one year, from the expiration date of August 30, 2023, to August 30, 2024, to allow for additional time for negotiations on the new agreement. Discussion ensued.

Following review and discussion, and based on the engineer's recommendation, Director Brown moved to (1) approve the engineer's report; (2) authorize BGE to begin design of the sanitary sewer rehabilitation for Memorial Parkway, Sections 3, 4 and 5; (3) authorize BGE to prepare a proposal for the sanitary sewer line investigations of Cimarron, Sections 1-3 and Memorial Parkway, Sections 6-8; (4) approve the legal conflicts waiver, as presented; and (5) approve the First Amendment to the Waste Treatment Agreement with West Memorial, as presented and direct that the Amendment be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed by unanimous vote.

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

Ms. Lightsey stated the air conditioner repairs are complete.

Ms. Vogt stated the five crape myrtle trees near the parking lot of the administration building are dead and need to be removed. She discussed a proposal from Custom Cutters for the removal and replacement of the crape myrtle trees in the amount of \$180.00 per tree. A copy of the written proposal is attached. After discussion, Director Cox moved to approve the proposal from Custom Cutters in the total amount of \$900.00 for the removal of the five crape myrtle trees, and installation of five new trees in the fall. Director Brown seconded the motion, which carried by unanimous vote.

LANDSCAPE PROPOSAL FROM MUNICIPAL DISTRICT SERVICES

Mr. Chapline stated this item can be removed from the agenda.

AUTHORIZE PREPARATION OF QUARTERLY DISTRICT NEWSLETTER

The Board discussed the preparation of the quarterly District newsletter and content of the articles. After discussion Director Goff moved to authorize preparation of the District Newsletter as discussed. Director Cox seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

DISCUSS MEETING SCHEDULE

The Board discussed rescheduling the June meeting due to the AWBD summer conference. The Board concurred to hold the June meeting on June 15th at 6:15 p.m. Following the Cinco plant meeting.

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

(SEAL)



Secretary, Board of Directors

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