

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

May 26, 2022

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 May 2022, and the roll was called of the members of the Board:

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

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

Also attending the meeting were Margoth Stewart, a resident of the District; Pam Redden of McLennan & Associates, L.P. ("McLennan"); Kate Hallaway and Aaron Orozco of BGE, Inc. ("BGE"); Isabelle Mata of Wheeler & Associates, Inc. ("Wheeler"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Starr Johnson and Doris Vogt, District employees; and Heather Trachtenberg and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Ms. Stewart addressed the Board and requested a reimbursement in delinquent and disconnection fees for her April utility account. She stated she was out of the country.

MINUTES

The Board considered approving the minutes of the April 28, 2022, regular meeting. After discussion, Director Brown moved to approve the minutes of the April 28, 2022, regular meeting. Director Cathcart 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 2022, a copy of which is attached. She stated the report reflects that the District's 2021 taxes were 96.09% collected as of the end of April. After discussion, Director Cathcart

moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cox 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

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 discussed check no. 1150 in the amount of \$14,655.16 payable to Harris County for election services. Discussion ensued regarding the invoice.

Ms. Redden stated check no. 1535 in the amount of \$13,013.52 was voided.

After review and discussion, Director Cox moved to approve the bookkeeper's report, and the checks presented for payment, and Direct the bookkeeper to hold check no. 1150, pending clarification of the invoice. 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. Trachtenberg explained that the District's bond resolutions require the District update certain financial information about the District on an annual basis. After discussion, Director Cathcart 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.

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 88.20%. He noted he was still working on identifying the interconnects with Memorial Municipal Utility District and ensuring all valves are closed.

Mr. Chapline reported there are eighteen accounts totaling \$2,767.41, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Mr. Chapline stated water well no. 2 at the water plant needs emergency repair. He presented and recommended approval of a proposal in the total amount of \$348,729.00 from C&C Water Services, LLC for the emergency repair of water well no. 2. A copy of the proposal is attached. Mr. Chapline and Ms. Hallaway stated they believe the well failure constitutes an emergency condition that may create a serious health hazard or unreasonable economic loss to the District that requires immediate corrective action. Following discussion, the Board concurred that the well failure constitutes such an emergency condition. Ms. Trachtenberg stated a letter can be sent to the TCEQ for authorization to proceed with the emergency repair.

Director Goff discussed the contact information and websites listed on the utility bills and requested that the District website be listed before MDS's website. The Board concurred to make the change.

UPDATE ON REPAIRS OF ADMINISTRATION BUILDING SIDEWALKS AND LANDSCAPE RESTORATION

There was no update on this matter.

After discussion, Director Cox moved to (1) approve the operator's report; (2) write off eighteen delinquent accounts totaling \$2,767.41, which are deemed not to be collectible, submit same to a collection agency, and direct that the uncollectible accounts list be filed appropriately and retained in the District's official records; (3) approve the C&C proposal for the emergency repair of water well no. 2 and authorize award of a contract for the emergency repair to C&C, based upon the Board's determination that the well failure constitutes an emergency condition that may create a serious health hazard or unreasonable economic loss to the District that requires immediate corrective action; and (4) authorize correspondence to the TCEQ requesting authorization to

proceed with the emergency repair. Director Brown 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. 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. Ms. Johnson stated that no customers 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 31, 2022, 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 Brown seconded the motion, which passed by unanimous vote.

ENGINEER'S REPORT

Ms. Hallaway presented the engineer's report, a copy of which is attached.

CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Hallaway stated BGE has completed the revised CIP, a copy of which is attached to the engineer's report.

MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER LINE REHABILITATION

Ms. Hallaway stated that Texas Pride Utilities is the contractor for this project. She stated the total amount of the project is \$705,664.10. Ms. Hallaway stated BGE is awaiting the final pay estimate.

PARK YORK FORCE MAIN REPLACEMENT

Ms. Hallaway stated BGE is currently preparing the plans and specifications for the relocation of the force main of T-103.

HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS, INCLUDING ADDITIONAL DETENTION/MITIGATION AND JOINT PARTICIPATION INTERLOCAL AGREEMENT

Ms. Hallaway stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway and Cimarron Sections 2, 3, 4 and 5.

Ms. Hallaway stated that Harris County has redefined the Memorial Parkway project. She stated the project will include additional detention/mitigation volume. She stated the Harris County is currently preparing the Interlocal Agreement for this project.

Ms. Hallaway stated that Harris County is scheduled to re-bid the Cimarron Sections 2, 3, 4 and 5 drainage improvement project on June 13, 2022. She noted this delay will impact the start date for the work. The Board discussed holding a special meeting, if needed, to consider award of the contract.

WATER PLANT NOS. 1, 2 AND 4 GROUND STORAGE TANK ALTERNATE FILL LINE INSTALLATION

Ms. Hallaway stated the contractor for the water plant nos. 1, 2 and 4 ground storage tank fill line installation is Blastco Texas, Inc.

DISINFECTION SYSTEM UPGRADES AT WATER PLANT NOS. 1, 2, 3 AND 4

Ms. Hallaway stated that W. W. Payton Inc. is the contractor for this project. She stated that BGE is awaiting the final pay estimate.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Ms. Hallaway stated BGE received three bids for the water plant no. 2 generator replacement project. Ms. Hallaway stated CSE W-Industries was the apparent low bidder for the project in the amount of \$444,019.00. Discussion ensued regarding the bids received and qualifications of the bidders. After discussion, the Board concurred to defer award of the contract, pending receipt of additional information regarding qualifications of the bidders.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway stated BGE is currently preparing bond application no. 9 and will be able to complete preparation once the Memorial Parkway drainage improvements Interlocal Agreement is finalized.

Following review and discussion, and based on the engineer's recommendation, Director Cathcart moved to approve the engineer's report. Director Cox seconded the motion, which passed 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, COMMUNICATION, AND EMPLOYMENT MATTERS

The Board discussed the request from Ms. Stewart for reimbursement of delinquent and disconnect fees from April. After discussion, the Board concurred to deny the request.

Ms. Johnson presented and reviewed a proposal from Fisk Electric Services ("Fisk") in the amount of \$1,476.00 for the upgrade of software for the security cameras at the District administrative office, a copy of which is attached. Discussion ensued regarding the current software and issues accessing the security footage.

Ms. Johnson stated the District received correspondence from the Cimarron Community Improvement Association regarding a resident complaint regarding use of fireworks during a party at the District administration building. Ms. Johnson stated the Constable's office was called that night and there was no evidence of fireworks.

Ms. Johnson presented and reviewed a proposal from Sonitrol in the amount of \$999.00 for a modem update to the phone network at the District administration building from 3G to 4G, a copy of which is attached.

Ms. Vogt stated one of the crape myrtle trees at the District administration building is dead and needs to be removed and replaced. She presented a proposal from Custom Cutters in the amount of \$190.00 for the work. Discussion ensued.

The Board discussed potentially entering into a Service Agreement with SLI Landscape for irrigation services. Mr. Chapline stated MDS can handle any irrigation issues with SLI Landscape, as they already have a contract with SLI Landscape.

Following review and discussion, Director Cox moved to (1) approve the proposal from Fisk in the amount of \$1,476.00 for software upgrades to the security cameras; (2) approve the Sonitrol proposal in the amount of \$999.00 for the modem upgrade from 3G to 4G; and (3) approve the Custom Cutters proposal in the amount of \$190.00 to remove and replace the crape myrtle tree, as discussed. Director Brown seconded the motion, which carried by unanimous vote.

DISCUSS DISTRICT ADMINISTRATION BUILDING RENTAL POLICIES

The Board discussed the District administration building rental policies and cleaning fees for rentals.

AUTHORIZE PREPARATION OF QUARTERLY DISTRICT NEWSLETTER

The Board discussed articles to be included in the third quarter District newsletter. After discussion, Director Cathcart 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

There was no discussion on this matter.

Director Olsen entered the meeting.

2022 DIRECTORS ELECTION

The Board considered approving a Certificate of Election, reflecting the election of Bruce Cox, Patrick Cathcart and Donna Brown to the Board of Directors of the District each for a four-year term. Ms. Trachtenberg reviewed the Sworn Statements and Oaths of Office for Directors Cox, Brown and Cathcart.

The Board considered reorganizing the Board of Directors. Director Brown moved to reorganize the Board as follows:

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

Director Olsen seconded the motion, which passed unanimously.

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 Olsen 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 Cox, Brown and Cathcart; and (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. Director Goff seconded the motion, which passed unanimously.

DISCUSS JUNE MEETING SCHEDULE

The Board concurred to schedule the next regular Board meeting on June 16, 2022 at 6:15, after the Cinco Regional Sewage Treatment 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

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