

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

June 15, 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 15th day of June, 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, except Director Savage, thus constituting a quorum.

Also present were Kathleen Ownby of Spark School Park Program; Theresa Scherer and Leslie Edge of Memorial Park Elementary School; Carmen Posey of Environmental & Co.; Ryan Fortner of Wheeler and Associates, Inc.; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Jorge Diaz of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Daniel Sparks of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

REQUEST FROM MEMORIAL PARKWAY ELEMENTARY REGARDING FUNDING FOR SPARK PARK

Ms. Ownby presented and reviewed a request from Memorial Parkway Elementary School (the "School") regarding assistance in funding for a Community SPARK Park, a copy of which is attached. Discussion ensued regarding the plans, budget and the availability of the park for public use.

Ms. Posey distributed and reviewed the SPARK park and landscape plans and presented cost estimate from Environmental & Co in the amount of \$129,331.50, a copy of which is attached.

Ms. Ownby stated the SPARK Park School Park Program is contributing \$100,000.00 to the design and construction of the SPARK Park. Ms. Scherer stated the

School has raised approximately \$6,000.00 through the Parent Teacher Association and the student council activities to help in funding the SPARK Park.

Director Goff suggested the Ms. Ownby contact the Memorial Municipal Utility District for financial assistance as well. The Board concurred to discuss further at the next meeting.

MINUTES

The Board considered approving the minutes of the May 25, 2017, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the May 25, 2017, 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 May, a copy of which is attached. He stated the report reflects that the District's 2016 taxes are 97.35% collected as of the end of May. After discussion, Director Cathcart moved to approve the tax assessor/collector's report and pay the bills. Director Brown seconded the motion, which carried by unanimous vote.

Mr. Fortner also reviewed a delinquent tax role, a copy of which is attached to the tax assessor's report.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

After discussion, Director Cathcart moved to authorize the delinquent tax attorney to proceed with collection of the delinquent taxes as of July 1, 2017. Director Cox seconded the motion, which carried by unanimous vote.

BOOKKEEPER'S REPORT

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

After discussion, Director Cox moved to approve the bookkeeper's report, and the checks presented for payment. Director Brown 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 96.0% for May 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.

After review and discussion, Director Brown moved to approve the operator's report and 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. Director Cox seconded the motion which carried by unanimous vote.

CUSTOMER REQUESTS

Ms. Johnson reviewed a customer complaint from Mr. Troy Browning regarding the automatic phone payment system, a copy of which is attached. After discussion, Director Cathcart moved to authorize ABHR to respond to Mr. Browning regarding the automated payment system.

Director Goff updated the Board on driveway and sidewalk repairs by Harris County on Red Rock Canyon.

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 at this time there were no residents who 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 June 28, 2017, if their utility bills are not paid in accordance with the District's Rate Order, except for the residents who make payment arrangements by Jun 22, 2017, 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 water plant no. 1 booster pump replacement and the ground storage tank and hydro-tank rehabilitation project.

Mr. Baker reviewed the tabulation of bids received for the replacement of ground storage tank, hydro-pneumatic tank and booster pumps and recommended that the Board accept the third lowest bid from Nunn Constructors, Inc., in the amount of \$916,800.00. Mr. Baker stated the lowest bid was submitted by Gilleland Smith Construction, Inc., however this company has not completed a project of this magnitude and BGE does not recommend award of the project to them. He also stated that the second lowest bid submitted by Tidal Construction, Inc was incomplete due to missing required bid forms. The Board concurred that the award of the contract to Nunn Constructors, Inc., will be most advantageous to the District and will result in the best and most economical completion of the District's facilities.

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

Mr. Baker stated that Schier Construction will install the sound enclosure, reroute electrical conduits and paint the interconnecting piping.

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 completed the calibration testing. He reported that the testing concluded there is a potential operating issue at water plant no. 3, and BGE and MDS are investigating the issue.

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

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

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 with Harris County 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. He stated the force main construction is complete to the Cinco Regional facility, and commencement of flow of water will occur in approximately two weeks. Discussion ensued regarding estimating flow from the bypass until the lift station meter is installed.

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.

Following review and discussion, Director Cathcart moved to approve the engineer's report and accept the third lowest bid submitted by Nunn Constructors, Inc., and to award the contract to said contractor, based on the engineer's recommendation for the replacement of ground storage tank, hydro-pneumatic tank and booster pumps at water plant no. 1 for the cost of \$916,800.00. Director Cox seconded the motion, which carried by unanimous vote.

UPDATE ON POTENTIAL RESIDENT ENCROACHMENT ISSUES AT WATER PLANT NO. 4 SITE

Ms. Carner updated the Board on the resident correspondence regarding the potential encroachment at water plant no. 4 site and the debris removal on District property at the water plant no. 3 site. Discussion ensued.

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 generator replacement.

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

Ms. Johnson reported on the maintenance of the administrative building. She stated the ice maker bracket in the refrigerator is broken, and the wall oven is not working. Discussion ensued regarding repair options

Director Goff presented and reviewed a proposal from Custom Cutters for the installation of plants, mulch and stones outside of the administration building in the amount of \$1405.00.

Director Goff updated the Board on the extended electricity contract through Hudson Energy. He stated the final rate was \$0.0416 per kwh, which is lower than anticipated.

After discussion, Director Cox moved to (1) authorize Ms. Johnson to contact Sears for the repair of the ice maker bracket and the wall oven; and (2) accept the proposal from Custom Cutters for the installation of the plants, mulch and stones outside of the administration building in the amount of \$1,405.00. Director Cathcart seconded the motion, which carried by unanimous vote.

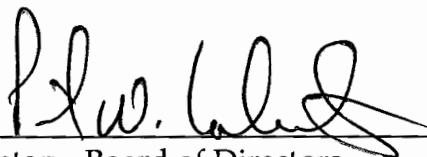
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

The Board discussed the Authority's MUD Directors Outreach Workshop meeting held on June 8, 2017.

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

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Memorial Parkway Elementary School Spark Park funding request	1
Tax assessor/collector's report	2
Bookkeeper's report.....	2
Operations report.....	3
Troy Browning complaint.....	3
Engineer's report.....	4