

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

June 25, 2020

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 81 (the "District") met in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 25th day of June, 2020, and the roll was called of the members of the Board being present by telephone:

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 attending the teleconference were Stephen Eustis and Samantha Jones of Robert W. Baird & Company, Inc. ("Baird"); Ryan Fortner of Wheeler & Associates, Inc.; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Mary Lutz of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Kate Hallaway of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon-Griffin of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Carner reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/hcmud81.

PUBLIC COMMENT

Director Savage offered any members of the public attending the meeting by telephone the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Savage moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the May 28, 2020, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the May

28, 2020, regular meeting. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed by unanimous vote, with all directors voting "yea."

SERIES 2020 UNLIMITED TAX BONDS

Ms. Jones discussed the procedures for the issuance of the District's \$4,000,000 Unlimited Tax Bonds, Series 2020 (the "Series 2020 Bonds").

REVIEW BIDS AND AWARD SALE OF THE DISTRICT'S SERIES 2020 BONDS

Ms. Jones reviewed with the Board a summary of the three bids received for the sale of the District's Series 2020 Bonds, a copy of which is attached. She stated that she verified the bids and recommends that the Board award the sale of the District's Series 2020 Bonds to the low bidder, Raymond James & Associates, Inc. ("Raymond James"), at a net effective interest rate of 2.239325%. Following review and discussion, Director Goff moved to award sale of the District's Series 2020 Bonds to Raymond James. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

ADOPT RESOLUTION AUTHORIZING ISSUANCE OF THE DISTRICT'S SERIES 2020 BONDS

Ms. Carner reviewed the provisions of a proposed Resolution Authorizing the Issuance of the District's Series 2020 Bonds. After review and discussion, Director Goff moved to adopt a Resolution Authorizing the Issuance of the District's Series 2020 Bonds, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

PAYING AGENT/REGISTRAR AGREEMENT

Ms. Carner reviewed a proposed Paying Agent/Registrar Agreement with Bank of New York Mellon Trust Company by which the Paying Agent/Registrar will handle registration, transfer, and payment of the District's Series 2020 Bonds. Following review and discussion, Director Goff moved to approve the Paying Agent/Registrar Agreement for the District's Series 2020 Bonds with Bank of New York Mellon Trust Company and direct that the Agreement be filed appropriately and retained in the District's official records. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

OFFICIAL STATEMENT

Ms. Carner explained that the Preliminary Official Statement for the District's Series 2020 Bonds will be updated to reflect the terms of the sale, including the purchaser, interest rates, and debt service requirements. Following review and discussion, Director Goff moved to approve the Official Statement for the District's Series 2020 Bonds and direct that the Official Statement be filed appropriately and retained in the District's official records. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Carner presented and reviewed with the Board a Certificate Regarding Provision of Financial Advice. Following review and discussion, Director Goff moved to authorize execution of the Certificate Regarding Provision of Financial Advice and direct that the Certificate be filed appropriately and retained in the District's official records. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

AUTHORIZE SIGNATURES AND ALL NECESSARY ACTION

Ms. Carner discussed signatures required for documents relating to the sale of the District's Series 2020 Bonds and actions required to be taken by the District's attorney and financial advisor to deliver the District's Series 2020 Bonds to the purchaser. After discussion, Director Goff moved to (1) authorize execution of the District's Series 2020 Bond documents; and (2) authorize the District's attorney and financial advisor to take all necessary actions to deliver the District's Series 2020 Bonds to the purchaser. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

APPROVE CHECK TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

Ms. Carner explained that it will be necessary for ABHR to submit a transcript of the Series 2020 Bonds to the Attorney General of Texas for approval. After review and discussion, Director Goff moved to approve a wire transfer to the Attorney General of Texas in the amount of \$4,000.00, for the transcript review. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

AMENDMENT TO INFORMATION FORM

The Board reviewed an Amendment to Information Form reflecting the sale of the District's Series 2020 Bonds for filing with the Harris County Clerk's Office, and the Texas Commission on Environmental Quality ("TCEQ"). Following review and discussion, Director Goff moved to authorize execution of the Amendment to Information Form in connection with the District's Series 2020 Bonds, and direct that the form be filed appropriately and retained in the District's official records. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

TAX ASSESSOR/COLLECTOR REPORT

Mr. Fortner reviewed the tax assessor/collector's report for the month of May, 2020, a copy of which is attached. He stated the report reflects that the District's 2019 taxes were 94.99% collected as of the end of May. After discussion, Director Brown moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Mr. Fortner stated the sales tax audit of District businesses has begun and a final report will be presented at the next Board meeting. He stated the preliminary review indicated some businesses may have reduced hours or have closed permanently, and clarification is needed.

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

SENATE BILL 2 TRANSPARENCY REQUIREMENT AND RELATED CONTRACT AMENDMENT

Ms. Carner reviewed a memorandum regarding transparency requirements in Sections 26.17 and 26.18, Tax Code, as enacted by Senate Bill 2, the "Texas Property Tax Reform and Transparency Act of 2019." She discussed financial and tax rate information that must be posted on a website maintained or accessible to the District. She also discussed tax-related information that must be included in a property tax database maintained by the appraisal district, some of which must be provided by the District.

Ms. Carner presented a proposed amendment to the contract between Wheeler and the District for implementation of the transparency requirements. She said the amendment reflects that Wheeler will host and maintain a generally accessible website containing the required information. Ms. Carner said the amendment also reflects that Wheeler will provide required data to the appraisal district to include in its property tax database. Mr. Fortner discussed the fees associated with implementation of the requirements contained in Sections 26.17 and 26.18, Tax Code, as reflected in the contract amendment.

After review and discussion, Director Brown moved to approve the amendment to the contract between the District and Wheeler as presented. Director Cox seconded the motion, which passed unanimously, following a roll call vote.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

After discussion, Director Cox moved to authorize the delinquent tax attorney to proceed with collection of the 2019 delinquent taxes as of July 1, 2020. Director Cathcart seconded the motion, which carried by unanimous vote.

BOOKKEEPER'S REPORT

The Board reviewed 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 presented one additional check in the amount of \$1,800.00, for tree trimming services payable to Bryan Bruce Tree Services.

After discussion, Director Brown moved to approve the bookkeeper's report and the checks presented for payment, including the additional check. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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 120.04% for May 2020.

Mr. Chapline reviewed additional repair and maintenance items performed during the month. He discussed a proposal to paint the fire hydrants. Discussion ensued.

Mr. Chapline discussed the discharge of pool water at 931 Red Rock Canyon into the storm sewers. Mr. Chapline stated he attempted to contact the owner, but there appears to be a tenant in the home now. Ms. Carner stated the storm sewers are maintained by Harris County (the "County") and suggested the District contact the County regarding the matter. After discussion, the Board concurred to authorize ABHR and MDS to notify the County and send a letter to the homeowner regarding the discharge of the pool water into the storm sewers.

CUSTOMER REQUESTS

There were no customer requests.

REPORT ON REVIEW AND PROPOSED ABANDONMENT OF INTERCONNECTS

There was no discussion on this matter.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Chapline presented to the Board a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Cathcart moved to terminate water and sewer service to delinquent customers, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Brown. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

GARBAGE AND RECYCLING MATTERS, INCLUDING REQUEST FROM SIMPLE RECYCLING REGARDING TEXTILE RECYCLING PROGRAM AND DISCUSS RENEWAL OF RESIDENTIAL SOLID WASTE COLLECTION CONTRACT WITH BEST TRASH

Ms. Carner reviewed correspondence from Simple Recycling regarding their Textile Recycling contract with the District. She stated Simple Recycling is requesting to waive the payment to the District of \$0.01 per pound of collected material. After discussion, the Board concurred to continue the services and approve the waiver as requested. Ms. Carner stated an amendment to the Simple Recycling contract will be presented next month to implement the waiver.

Ms. Carner stated that the District's Garbage and Recycling contract with Best Trash will automatically renew for three years in October, 2020. The Board did not take action.

APPROVE QUARTERLY DISTRICT NEWSLETTER

The Board discussed the draft newsletter and the suggested revisions from Director Goff. Director Brown then moved to approve the District quarterly newsletter, as revised. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

ENGINEER'S REPORT

Mr. Baker presented the engineer's report, a copy of which is attached.

WATER PLANT NO. 4 NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT

Mr. Baker stated the contractor for the natural gas generator and MCC replacement at water plant no. 4 is McDonald Municipal and Industrial ("McDonald"). He requested approval of Pay Estimate No. 4 in the amount of \$18,368.55, payable to McDonald.

DRINKING WATER QUALITY, INCLUDING WATER PLANT NO. 4 WATER WELL NO. 4 PROFILING AND PROPOSALS FOR REPAIR

Mr. Baker stated that C & C Water Services, LLC. ("C & C") is the contractor for the water plant water well no. 4 televising and profiling.

TELEVISIONING OF MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER

Mr. Baker stated Chief Solutions, Inc. ("CS") is the contractor for this project. He stated the total project amount is \$69,174.80 and the videos are currently under review. Mr. Baker stated 97% of the sewer lines have been surveyed, and no significant issues have been identified thus far.

WEST MEMORIAL MANHOLE SURVEY

Mr. Baker stated CS is the contractor for this project. He stated the total project amount is \$21,680.00 and CS has mobilized to begin the work. Mr. Baker stated the video is currently under review and noted the majority of the manholes will not require any rehabilitation.

REPORT ON HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS

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

WATER PLANT NO. 3 IMPROVEMENTS

Mr. Baker stated that Preventative Services is the contractor for the water plant no. 3 improvements. He stated the total cost is \$14,500.00 and the project is expected to be complete soon.

CAPITAL IMPROVEMENT PLAN

Mr. Baker reviewed an updated capital improvement plan ("CIP"), a copy of which is attached to the engineer's report.

OTHER ENGINEERING MATTERS

Mr. Baker discussed the ground storage tanks at water plant nos., 1, 2 and 4 and recommended that the tanks be equipped with alternate fill lines. He presented an engineering proposal in the amount of \$35,000.00 for design and procurement, plus \$4,000.00 for construction oversight of the alternate fill lines for the District's ground storage tanks.

He estimated the cost to install the fill lines at water plant nos. 1, 2 and 4 on all ground storage tanks in the District is approximately \$355,536.36. Discussion ensued regarding a proposed phased timeline for installing the fill lines at water plant nos. 1, 2 and 4.

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. 4 in the amount of \$18,368.55, payable to McDonald; (3) approve the proposal from BGE in the amount of \$35,000.00 for the design of the automatic fill lines, plus proposal for construction oversight in the amount of \$4,000.00 for same. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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 AND EMPLOYMENT MATTERS

Ms. Johnson discussed a proposal from 2 Detail in the amount of \$1,500.00 to pressure wash the building and clean the gutters at the District administration building. After discussion, Director Cathcart moved to approve the proposal from 2 Detail in the amount of \$1,500.00 to pressure wash the building and clean the gutters at the District administration building. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

SECURITY CAMERA EQUIPMENT MAINTENANCE, INCLUDING RELATED PROPOSALS AND SURGE PROTECTION INSTALLATION

Ms. Johnson stated that Comcast has not yet completed the required wiring installation at the Cinco Regional Sewage Treatment Plant site due to the COVID-19 epidemic.

Ms. Johnson stated the security cameras at the administration building have stopped working. She stated she has notified NCS for inspection.

Ms. Johnson discussed two proposals for the security cameras. She discussed one proposal from NCS for the replacement of the security cameras at water plant no. 3, which includes the purchase of surge protector, in the amount of \$4,914.73.

After discussion, Director Cathcart moved to approve the proposal from NCS in the amount of \$4,941.73 for the replacement of the security cameras at water plant no. 3 and purchase of the surge protector. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

APPROVAL FOR HIKE AND BIKE TRAIL SIGNS AND BENCHES

Director Goff discussed the hike and bike trail signs, verbiage for the signs and the number of signs to be installed. He stated the locations of the signs will be determined once Harris County installs their signs. Discussion ensued regarding permit requirements for the installation of trail signs.

REQUEST FROM HARRIS COUNTY FOR USE OF BUILDING FOR PRIMARY RUNOFF ELECTION

The Board discussed the request from Harris County to use the District administration building for their election. Discussion ensued regarding cleaning and sanitizing the building after use. Ms. Carner stated that Harris County has agreed to reimburse the District for additional cleaning related to the use of the building on election days. Ms. Johnson discussed a proposal in the amount of \$1,430.00 for additional cleaning of the building during early voting and on election day. After discussion, Director Cathcart moved to approve the proposal from 2 Detail in the amount of \$1,430.00 for additional cleaning of the District administration building. Director Cox seconded the motion, which passed by unanimous vote, following a roll call vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

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



Patrick Cathcart
Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bid Results Summary	2
Tax assessor/collector's report	4
Bookkeeper's report.....	5
Operator's report.....	5
Engineer's report.....	6