

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

June 27, 2019

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 27th day of June, 2019, 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, a member of the public; Ray Arce of Wheeler and Associates, Inc. ("Wheeler"); 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 Hannah Brook and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 23, 2019, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the May 23, 2019, regular meeting. Director Cox seconded the motion, which carried by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce 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 2018 taxes were 97.27% collected as of the end of May. After discussion, Director Goff moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cox seconded the motion, which carried by unanimous vote.

Mr. Arce reviewed a delinquent tax roll, 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 Brown moved to authorize the delinquent tax attorney to proceed with collection of the 2018 delinquent taxes as of July 1, 2019. Director Cox 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 three additional checks, check no. 15408 in the amount of \$560.00, payable to Rooks Air Conditioning, check no. 15409 in the amount of \$3,948.18, payable to Custom Cutters, and check no. 15410 in the amount of \$80.00, payable to Swat Team.

After discussion, Director Cox moved to approve the bookkeeper's report and the checks presented for payment, including the additional check as presented. Director Brown seconded the motion, which carried by unanimous vote.

## DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT THE WINTER CONFERENCE

The Board discussed the AWBD summer conference. After discussion, Director Cathcart moved to approve reimbursement of eligible expenses from the AWBD summer conference and authorize attendance of the directors and District employees at the winter conference. Director Cox 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 90.4% for May 2019.

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

Mr. Chapline reported there was one account totaling \$74.81 deemed to be uncollectible and requested authorization to write off said account and turn it over to a collection agency.

Mr. Chapline stated that the check valve at water plant no. 3 has failed and needs to be replaced.

Mr. Chapline distributed and reviewed a fire hydrant survey, a copy of which is attached. He stated minor repairs were identified. He requested approval of the repairs in the amount of \$13,353.00, for the minor repairs and \$448.502 for the replacement of missing or damaged reflectors.

#### PARK MEADOW SANITARY SEWER LINE REPAIRS

Mr. Chapline stated that BGE has confirmed that Harris County has completed the replacement of the portions of the street adjacent to the storm sewers.

#### REPORT ON REVIEW OF INTERCONNECTS

Mr. Chapline discussed the District's interconnects and stated there are approximately 10. He recommended abandoning at least four of the interconnects. He stated that MDS will coordinate with BGE with the final recommendation and preparation of a proposal for same.

#### REPORT ON WATER PLANT NO. 2 STORM SEWER INVESTIGATION

Mr. Chapline stated MDS has performed a preliminary inspection that did not reveal any concerns, including inspection of the inlets near 1063 Red Rock Canyon. Mr. Chapline stated he recommends televising of the storm sewer lines for further investigation.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; (2) write off the one delinquent account totaling \$74.81 which is 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; (3) authorize MDS to televise the storm sewer lines near water plant no. 2; (4) authorize MDS to proceed with the repairs of the District's fire hydrants in the amount of \$13,535.00 for minor repairs and \$448.50 reflector replacements; and (5) authorize MDS to replace the check valve at water plant no 3. Director Cox seconded the motion, which carried by unanimous vote.

#### CUSTOMER REQUESTS

Mr. Chapline discussed an inquiry from a resident regarding the reported arsenic levels in the Consumer Confidence Report ("CCR"). Discussion ensued. Mr. Chapline distributed and reviewed a report of the past 10 years of water analysis testing conducted by MDS. A copy of the report is attached. Discussion ensued.

#### 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. She stated that customers Martin, Moreno, Lake and Price 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 July 2, 2019, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Martin, Moreno, Lake and Price, 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

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

#### APPROVE PLANS AND SPECIFICATIONS AND ADVERTISEMENT FOR BIDS FOR NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT AT WATER PLANT NO. 4

Mr. Baker stated that BGE has received comments from Harris County and is currently addressing the comments. He requested approval of the plans and specifications and authorization for bids for the natural gas generator and MMC replacement.

#### REPLACEMENT OF BOOSTER PUMPS AND MOTOR AT WATER PLANT NO. 4

Mr. Baker updated the Board on the booster pumps and motor replacement at water plant no. 4 and stated that Vertical Flow Industries, Inc., was the contractor. He reported the booster pumps and motor are currently being assembled.

#### PAY ESTIMATES, CHANGE ORDERS AND/OR FINAL ACCEPTANCE FOR PARK BEND AND STRAWBERRY PARK STORM SEWER INLET IMPROVEMENTS

Mr. Baker stated that RJ&M Utility Construction, LLC is the contractor for the Park Bend Drive storm sewer inlet rehabilitation project. He requested approval of Pay Estimate No. 4 and Final in the amount of \$11,283.47, for the storm sewer inlet rehabilitation.

#### TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

Mr. Baker requested authorization to solicit for bids for the inspection of the sanitary sewer lines in Memorial Parkway Sections 1 and 2, rather than Cimarron Subdivision Sections 1 and 2, due to these lines being the oldest in the District. He estimated the cost for the inspection to be less than \$75,000.00. After discussion,

Director Cox moved to authorize BGE to solicit for bids for the inspection of the sanitary sewer lines in Memorial Parkway Sections 1 and 2. Director Brown seconded the motion, which carried by unanimous vote.

#### HARRIS COUNTY PRECINCT 3 EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD

There was no discussion on this matter

#### CAPITAL IMPROVEMENT PLAN

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

Following review and discussion, Director Cathcart moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 4 and final in the amount of \$11,283.47 for the storm sewer inlet rehabilitation, as recommended; and (3) approve the plans and specifications and authorize advertisement for bids for the natural gas generator and MMC replacement, as recommended. Director Cox seconded the motion, which carried by unanimous vote.

#### BOND APPLICATION NO. 8

Mr. Baker stated that BGE is finalizing Bond Application No. 8.

#### 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. Discussion ensued.

#### OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE AND DISTRICT WEBSITE

#### SANITARY SEWER LINE REHABILITATION

Mr. Baker updated the Board on the rehabilitation of the sanitary sewer line at the District administration building. He requested approval of the revised proposal from Katy Plumbing in the amount of \$103,610.00 for the replacement of the PVC sewer pipe, which includes the confined space entry training, for under the administration building, to replace the previously approved proposal. Mr. Baker stated the project will take approximately three weeks and is tentatively scheduled to begin on or about August 5th. After review and discussion, Director Cox moved to approve the proposal in the amount of \$103,610.00 for the replacement of the PVC sewer pipe, to replace previously approved proposal, and direct that the Proposal be filed appropriately and

retained in the District's official records. Director Cathcart seconded the motion, which carried by unanimous vote.

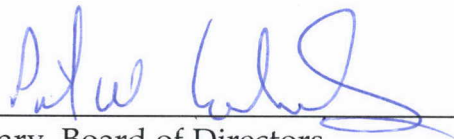
ADMINISTRATION BUILDING AND PARKING LOT REHABILITATION

Discussion ensued regarding additional required maintenance at the District administration building, including interior and exterior painting and door refinishing. The Board concurred for City Maintenance to proceed with the exterior painting as soon as possible. Mr. Baker stated the interior improvements are scheduled from approximately July 15th through August 23rd.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

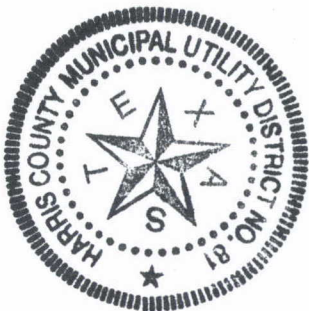
Mr. Chapline discussed the District fees paid to the WHCRWA for 2018. He stated the WHCRWA installed electronic meters in August 2018 at water plant nos. 1 and 3, the meters experienced calibration issues, which have since been corrected. He stated the District used an accepted alternate approach to calculate usage during that time. He stated that an audit was completed that showed the District overpaid approximately \$57,000.00 for the 2018 year to the WHCRWA. He stated MDS and McLennan are working with the WHCRWA to obtain reimbursement for the overpayment.

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



Secretary, Board of Directors

(SEAL)



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