

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

June 28, 2018

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 28th day of June, 2018, 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, Virginia Goff, Katherine Tims, and Walt Barbin, members of the public; Ryan Fortner 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 of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 24, 2018, regular meeting. After discussion, Director Brown moved to approve the minutes of the May 24, 2018, regular meeting. Director Cox 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 2017 taxes were 97.88% 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 Brown seconded the motion, which carried by unanimous vote.

Mr. Fortner 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 Goff moved to authorize the delinquent tax attorney to proceed with collection of the 2017 delinquent taxes as of July 1, 2018. Director Brown seconded the motion, which carried by unanimous vote.

## BOOKKEEPER'S REPORT

The Board received 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 4 additional checks, including check no. 1282 payable to ABHR in the amount of \$129.50 for legal fees, check nos. 1283 and 1284 payable to BGE for engineering services for the Water Plant No. 1 rehabilitation, in the amounts of \$1,360.00 and \$3,159.45, respectively, and check no. 1285 payable to Nunn Constructors for Pay Estimate No. 7 for the Water Plant No. 1 rehabilitation, in the amount of \$37,179.00.

After discussion, Director Cathcart moved to approve the bookkeeper's report and the checks presented for payment. Director Cox 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

Directors Goff, Brown and Cox 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 95.2% for May 2018.

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

Mr. Chapline reported there were seven accounts totaling \$1,213.94, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Mr. Chapline stated that the fire hydrant survey is complete, a copy of which is attached. He requested approval for repairs in the amount of \$11,400.00 and the replacement of missing reflectors on the fire hydrants in the amount of \$1,000.00.

After review and discussion, Director Cathcart moved to (1) approve the operator's report, (2) write off the seven delinquent accounts totaling \$1,213.94 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; and (3) approve the fire hydrant repairs and the replacement of reflectors in the total amount of \$12,400.00. Director Cox seconded the motion which carried by unanimous vote.

### CUSTOMER REQUESTS

Ms. Tims introduced herself to the Board and requested a refund of the late fees and reconnection fees related to her delinquent payment for the April/May billing cycle in the amount of \$150.00. Ms. Tims stated she hand delivered a check to the administrative office for payment but the payment was never posted. Discussion ensued regarding receipts issued to customers upon payment in person. Ms. Johnson stated a receipt is only issued upon the customer's request, and Ms. Tims stated she did not request a receipt when she made the payment. Ms. Johnson stated the security camera footage was no longer retrievable, and therefore she could not verify whether the payment was made. She stated she did not recall Ms. Tims making the payment.

Mr. Barbin introduced himself to the Board and stated he does not believe he used the amount of water stated in his most recent utility bill. Mr. Chapline stated the meter was checked and is functioning properly, but he would have an MDS representative recheck the meter tomorrow. Discussion ensued regarding potential causes for higher than expected water usage.

Ms. Johnson stated that Maria Rincon experienced a large leak, which resulted in water usage of approximately 82 thousand gallons. Ms. Johnson stated Ms. Rincon has requested to pay \$100.00 per month in addition to her regular monthly utility bill for the next four months and requested that the late fees on the outstanding balance be waived. Discussion ensued.

Ms. Carner reviewed emails submitted by Troy Browning stating his concern regarding a potential security breach on the First Billing online payment system. She stated he requested that the District discontinue the convenience fees charged for utilizing the First Billing online services. Mr. Browning also requested the District remove the \$30.00 return check fee the District added to his mother's account located at 823 Pickford, after her bank account was closed due to the security issue with her account.

Mr. Chapline stated he contacted First Billing, and there were no online payment breaches found. He stated the full investigation remains ongoing, and once it is

completed, MDS will send formal correspondence to Mr. Browning responding to his report.

After discussion, Director Savage moved to: (1) approve the refund to Ms. Tims for the delinquent fees and the reconnection fees in the amount of \$150.00; (2) authorize a four-month payment plan for Maria Rincon and waive the late fees for the outstanding balance; and (3) deny the request from Mr. Browning for the refund of the returned check charge on the account for 823 Pickford. Director Cathcart seconded the motion, which carried by unanimous vote.

The Board directed Ms. Johnson to prepare customer receipts for all payments made in person the District's Administrative Office.

#### 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 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 Rincon, Mathis, Estrada, and Purcel 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 5, 2018, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Rincon, Mathis, Estrada, and Purcel 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.

#### APPROVE PAY ESTIMATES, CHANGE ORDERS, AND FINAL ACCEPTANCE AND DIRECT ENGINEER TO NOTIFY INSURANCE COMPANY OF NEW FACILITY FOR GROUND STORAGE TANK, HYDRO TANK REHABILITATION AND BOOSTER PUMP REPLACEMENT AT WATER PLANT NO. 1, INCLUDING PROPOSAL FOR PAINTING OF TANKS

Mr. Baker recommended approval of Pay Estimate No. 7, in the amount of \$37,139.00 to Nunn Constructors, Inc., for the water plant no. 1 rehabilitation project.

He then presented and recommended approval of Change Order No. 2, as an increase to the contract with Nunn Constructors, to repaint the MMC building exterior, chlorine building exterior, well enclosure and generator enclosure, in the total amount of \$26,250.00. After discussion, the Board determined that Change Order No. 2 is beneficial to the District. A copy of the change order is attached to the engineer's report.

#### SUNDANCE VALLEY ROAD AND SANITARY SEWER LINE REPAIRS

Mr. Baker updated the Board on the sanitary sewer line repairs along Sundance Valley Road.

#### PARK BEND AND STRAWBERRY PARK STORM SEWER INLET IMPROVEMENTS

Mr. Baker stated that BGE has completed the survey and currently is working on the design of the storm sewer inlets at Park Bend and Strawberry Park. He stated one resident with an affected storm sewer inlet expressed opposition to the project. He stated BGE would include separate bid items for each of the storm sewer inlets. Discussion ensued regarding the expected cost of each inlet rehabilitation.

#### WATER MODELING STUDY

Mr. Baker reported that BGE has received results from the water modeling study. He stated that MDS has replaced the check valve at the EST, which should increase the pressure in the distribution system.

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

There was no discussion on this matter.

Following review and discussion, Director Goff moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 7 in the amount of \$37,139.00, payable to Nunn Constructors, Inc., based on the engineer's recommendation; and (3) approve Change Order No. 2 as an increase to the contract with Nunn Constructors for repainting the specified facilities at Water Plant No. 1, in the amount of \$26,250.00, based upon the Board's determination that the change order is beneficial to the District and the engineer's recommendation. Director Cathcart seconded the motion, which carried by unanimous vote.

Discussion ensued regarding the upcoming Harris County Flood Control District bond election and their request for submission of proposed projects for inclusion. After discussion, the Board requested ABHR and BGE to submit a request to include the rehabilitation of the T103-00-00-X010 channel in the list of projects.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT ("WEST MEMORIAL")  
SEWAGE TREATMENT PLANT MEETING AND PROPOSED PLANT  
IMPROVEMENTS

Director Brown 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, INCLUDING REPORT ON REPLACEMENT OF AIR  
CONDITIONING UNIT

Ms. Johnson stated the air replacement of the conditioning unit has been delayed due to weather. She stated the new expected installation date is July 14th.

Ms. Johnson stated that Harris County has requested to utilize the administration building for an election on August 25, 2018. After discussion, the Board concurred to authorize Harris County to utilize the administration building for an election on August 25, 2018.

Ms. Johnson discussed the security cameras at the administration building and at District facilities. She stated a larger hard drive is needed for more storage of the camera footage. Discussion ensued. Ms. Johnson stated Network Cabling Services agreed to replace the hard drive at no additional cost to the District.

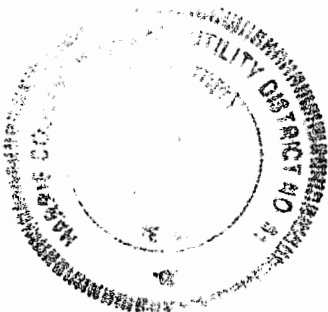
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

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

  
Secretary, Board of Directors

(SEAL)



## LIST OF ATTACHMENTS TO MINUTES

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