

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

CINCO REGIONAL SEWAGE TREATMENT PLANT

July 21, 2022

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 81 of Harris County, Texas (the "District"), met in special session, open to the public, at 805 Hidden Canyon Drive, Katy, Texas 77450, inside the boundaries of the District, on the 21st day of July 2022, and the roll was called of the duly constituted members of the Board of Directors, to-wit:

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

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

Also attending the meeting were Christie Leighton of Best Trash, LLC; Len Forsyth of Mason Creek Utility District; Buddy Trotter and Crystal Sampson of Memorial Municipal Utility District; Morgan Stagg and Tony Garza of Cornerstones Municipal Utility District; Kate Hallaway of BGE, Inc. ("BGE"); Whitney Aelmore of Si Environmental ("SE"); Renee Butler of McLennan & Associates, L.P.; and Katie Carner of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 16, 2022, Cinco Regional Sewage Treatment Plant (the "Plant") meeting. After discussion, Director Brown moved to approve the minutes of the June 16, 2022, Plant meeting, as written. Director Olsen seconded the motion, which passed by a vote of 4-0, with Director Goff abstaining.

BOOKKEEPER'S REPORT

Ms. Butler presented the bookkeeper's report on the Plant funds. She reviewed the Plant account, the bills to be paid, budget comparison, investment report, and annual energy billing. A copy of the bookkeeper's report is attached.

After discussion, Director Brown moved to approve the bookkeeper's report and pay the bills. Director Olsen seconded the motion, which carried by unanimous vote.

PLANT OPERATIONS, DISCHARGE, AND REPAIRS AND MAINTENANCE, INCLUDING UPDATE ON REPLACEMENT OF WASHDOWN PUMP

Ms. Aelmore reviewed a report on operations of the Plant, a copy of which is attached.

Ms. Aelmore updated the Board on the washdown pump repair. She stated she is waiting for the pump to be shipped.

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

ENGINEER'S REPORT

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

CAPITAL IMPROVEMENT PLAN

Ms. Hallaway stated that BGE has prepared the revised Plant Capital Improvement Plan ("CIP") and reviewed project timelines. She stated this item can be removed from the agenda until 2023.

PAY ESTIMATES CHANGE ORDERS, SUBSTANTIAL COMPLETION AND FINAL ACCEPTANCE FOR PHASE 4 REHABILITATION OF MAIN INFLUENT TRUNKLINE

Ms. Hallaway stated T. Gray Utility & Rehab Co. ("T. Gray") is the contractor for this project. She stated BGE is holding Pay Estimate No. 7 and Final pending resolution of a dispute between the contractor and the Harris County Flood Control District related to damaged articulated block in their adjacent channel.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR TRUNK LINE SANITARY SEWER REHABILITATION, PHASES 5 AND 7

Ms. Hallaway stated BGE has completed the field survey for the trunk line sanitary sewer rehabilitation, phases 5 and 7. She stated that some of the manholes are corroded and may be damaged when they are opened to inspect the lines. She requested approval for the operator to proceed with the manhole and line inspections.

APPROVE PLANS AND SPECIFICATIONS AND AUTHORIZE ADVERTISEMENT FOR BIDS FOR TRUNKLINE MANHOLE REHABILITATION PHASES 5 AND 7

Ms. Hallway stated BGE is currently preparing the plans and specifications for the trunk line manhole rehabilitation, phases 5 and 7.

CINCO MUNICIPAL UTILITY DISTRICT NO. 1 EFFLUENT REUSE SYSTEM

Ms. Hallaway stated BGE has submitted Cinco Municipal Utility District No. 1's ("Cinco MUD 1") application to the Texas Commission on Environmental Quality ("TCEQ") for the reclaimed water permit. Ms. Carner stated the amendment to the Reclaimed Water Agreement is currently being prepared.

DISCHARGE PERMIT RENEWAL APPLICATION

Ms. Hallaway stated BGE has submitted the application for renewal of the wastewater discharge permit for the Plant and reported it is administratively complete.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to (1) approve the engineer's report; and (2) authorize the operator to proceed with the inspection of the phases 5 and 5 manholes and trunklines, as discussed. Director Cox seconded the motion, which carried by unanimous vote.

OTHER ENGINEERING MATTERS

Ms. Carner stated the contractor for the water plant no. 2 generator replacement project had requested that the District complete a new customer application and reviewed the information requested. After discussion, the Board concurred to request that the bookkeeper complete the first page of the application and submit same to the contractor.

GARBAGE AND RECYCLING MATTERS, INCLUDING DISCUSS FUEL FEE ADJUSTMENT REQUEST

Ms. Leighton discussed garbage and recycling matters. She then presented a proposal for a temporary fuel fee increase to the Best Trash garbage and recycling contract, a copy of which is attached. She stated the increase is calculated as .5% for every \$0.25 over \$3.00 per gallon of diesel fuel. She noted when fuel prices fall below \$3.25 per gallon, the fees will be removed. She presented a request for an additional 4% price increase, which would increase the per connection rate by \$0.77, to \$19.94, a copy of which is attached. After discussion, Director Cox moved to approve the fuel recovery fee and the additional 4% increase to the contract, as requested. Director Cathcart seconded the motion, which passed unanimously. The Board requested that ABHR add an item to add to next week's agenda to consider adoption an Amended Rate Order to incorporate the increased garbage and recycling costs.

HARRIS COUNTY CIMARRON AND MEMORIAL PARKWAY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS

Ms. Hallaway stated BGE received bids for the Cimarron Sections 2, 3, 4 and 5 drainage project. She stated the lowest qualified bidder was Wade Con, LLC, ("Wade Con") in the amount of \$11,824,535.00 and recommended that the Board recommended that Harris County award the contract to WadeCon. The Board determined that award of the contract to Wade Con will be most advantageous to the District and will result in the best and most economical completion of the project.

After discussion, Director Goff moved to recommend that Harris County accept the lowest qualified bid submitted by Wade Con and that the contract be awarded to said contractor, based on the engineer's recommendation and subject to review of the bonds and certificate of insurance provided by the contractor. Director Cox seconded the motion, which carried by unanimous vote.

CONVENE EXECUTIVE SESSION PURSUANT TO CHAPTER 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board convened in executive session at 6:50 p.m. Ms. Carner was present.

RECONVENE EXECUTIVE SESSION PURSUANT TO CHAPTER 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

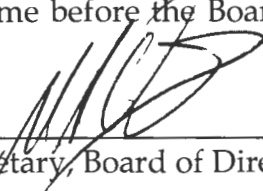
The Board reconvened in open session at 6:56 p.m. The Board did not take action.

BOOKKEEPING MATTERS (CONT.)

Director Goff stated he is resigning as investment officer. The Board requested Ms. Carner include items on the next regular meeting agenda for a change in investment officer. The Board thanked Director Goff for his many years of service in the role.

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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