

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

July 23, 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 23rd day of July, 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; 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 June 25, 2020, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the June 25, 2020, regular meeting. Director Brown seconded the motion. A roll call of the Board was taken and the motion passed by unanimous vote, with all directors voting "yea."

TAX ASSESSOR/COLLECTOR REPORT

Mr. Fortner reviewed the tax assessor/collector's report for the month of June, 2020, a copy of which is attached. He stated the report reflects that the District's 2019 taxes were 96.4% collected as of the end of June. After discussion, Director Brown moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cox 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 is complete. He reviewed the report and stated the results indicated some businesses have reduced hours or have closed permanently during the COVID-19 pandemic. A copy of the sales tax audit report is attached.

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

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 discussed two additional checks, check no. 1330 from the capital projects fund and check no. 16318 from the general fund, written to C & C Water Services ("C & C") for Pay Estimate 1 and Final in the amounts of \$130,000.00 and \$64,345.00, respectively, totaling \$194,345.00, for the water well no. 4 rehabilitation project.

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

ASSOCIATION OF WATER BOARD DIRECTORS SIMPLY VOTING

Ms. Carner stated that the Association of Water Board Directors ("AWBD") is using Simply Voting, a web-based online voting system, for its annual Board of Trustees election to occur during the AWBD summer conference beginning August 7, 2020. She said each AWBD member district will be able to cast a ballot by designating a board member as the district's voting member representative to cast the ballot on behalf of the district. After discussion, the Board concurred to designate Director Cathcart as the District's voting member representative to cast the District's ballot in the 2020 AWBD Board of Trustees election.

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 91.23% for June 2020.

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

CUSTOMER REQUESTS

Ms. Johnson reviewed a request from the resident at 1226 Westgreen to waive late fees due to their credit card on file being expired. After discussion, the Board concurred to deny the request.

REPORT ON REVIEW AND PROPOSED ABANDONMENT OF INTERCONNECTS

There was no discussion on this matter.

After discussion, Director Cox moved to approve the operator's report. Director Goff seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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. Ms. Johnson stated that customers Balun, Harlan, Ortega, Black, Schilhab, Hummel, Hornsby, Primm, Pazo, Santana, Hoffman, Dodson-Berry, Martinez, Villarreal, Vandergriff and Martin requested an extension for payment of their delinquent account.

Following review and discussion, Director Cathcart moved to (1) 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 28, 2020, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Balun, Harlan, Ortega, Black, Schilhab, Hummel, Hornsby, Primm, Pazo, Santana, Hoffman, Dodson-Berry, Martinez, Villarreal, Vandergriff and Martin and direct that the delinquent customer list be filed appropriately and retained in the District's official records; and (2) waive the \$100 additional deposit requirement this month for customers disconnected for non-

payment. 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 APPROVE AMENDMENT TO SIMPLE RECYCLING AGREEMENT REGARDING TEXTILE RECYCLING PROGRAM

Ms. Carner reviewed an amendment to the Simple Recycling Agreement to waive the payment to the District of \$0.01 per pound of collected material. After discussion, director Brown moved to approve the amendment to the Simple Recycling agreement and direct that the amendment 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."

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 stated the construction is complete and the generator and MCC testing will be conducted next week.

WATER PLANT NO. 4 WATER WELL NO. 4 REPAIRS

Mr. Baker stated that C & C is the contractor for the water plant water well no. 4 televising and profiling.

Mr. Baker presented Change Order No. 1 in the amount of \$17,670.00 as an increase to the contract with C & C for unanticipated field conditions. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Baker then stated the project is complete and presented Pay Estimate No. 1 and Final in the amount of \$194,335.00.

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

Mr. Baker stated Chief Solutions, Inc. ("CS") is the contractor for this project. He stated the total project amount is \$69,174.80. Mr. Baker stated the estimated cost to rehabilitate and line all sanitary sewer lines in Memorial Parkway Sections 1 and 2 is \$1,235,000.00, including engineering costs. He requested approval of the proposal in the amount of \$126,175.00 for the engineering fees associated with this project. He noted this project was included

in the bond issue that closed today. Discussion ensued regarding the use of bond funds for this project.

WEST MEMORIAL MANHOLE SURVEY

Mr. Baker stated CS is the contractor for this project. He stated the total project amount is \$21,680.00. Mr. Baker stated the video survey 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 NOS. 1, 2 AND 4 GROUND STORAGE TANK ALTERNATE FILL LINE INSTALLATION

Mr. Baker stated that BGE has initiated design for this project. He estimated the cost to install the fill lines on all ground storage tanks at water plant nos. 1, 2 and 4 is approximately \$355,536.36. Discussion ensued regarding a proposed phased timeline for installation of the fill lines at water plant nos. 1, 2 and 4.

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 complete.

Mr. Baker discussed upgrading the disinfection system process from gas to liquid bleach at each of the four water plants. He stated the cost to upgrade the disinfection system is approximately \$382,834.10. He then discussed a proposal in the amount of \$61,100.00 for engineering fees related to the disinfection system upgrade. Discussion ensued regarding the potential use of any surplus funds from the current bond issue for this project.

CAPITAL IMPROVEMENT PLAN

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

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. 1 and final in the amount of \$194,345.00, payable to C & C and accept the project; (3)

approve the proposal from BGE in the amount of \$126,175.00 for engineering fees associated with the sanitary sewer rehabilitation for Memorial Parkway, Sections 1 and 2; (4) approve Change Order No. 1 in the amount of \$17,670.00, as an increase to the contract with C & C, based upon the Board's finding that the change order is beneficial to the District; and (5) approve proposal in the amount of \$61,100.00 for engineering fees for design of the water plant nos. 1-4 disinfection system upgrades. Director Cathcart 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 stated the pressure washing and cleaning of the gutters at the administration building are complete. She stated there is still rust on some areas of the building. Mr. Baker stated an acid wash could be used to remove the rust.

SECURITY CAMERA EQUIPMENT MAINTENANCE

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 NCS has been notified.

AUTHORIZE EXECUTION OF INTERLOCAL AGREEMENT WITH HARRIS-
GALVESTON SUBSIDENCE DISTRICT FOR WATER CONSERVATION EDUCATION
PROGRAM

Ms. Carner presented and reviewed an Interlocal Agreement with the Harris-Galveston Subsidence District for the District's sponsorship of the Water Wise Program for the 2020-2021 school year. After review and discussion, Director Cox moved to approve the Interlocal Agreement and direct that the Agreement be filed appropriately and retained in the District's official records. Director Goff seconded the motion, which carried by unanimous vote following a roll call vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

2020 DIRECTORS ELECTION

ADOPT RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF THE BOARD OF DIRECTORS DURING THE 2020 BOARD OF DIRECTORS ELECTION PERIOD

Ms. Carner discussed procedures related to the proposed 2020 Directors Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors during the 2020 Directors Election Period. Following review and discussion, Director Goff moved to adopt a Resolution Designating an Agent of the Secretary of the Board During the 2020 Directors Election Period appointing Kimberly Cannon as the agent of the Secretary of the Board of Directors to perform the Secretary's duties for the District's director's election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which was approved by unanimous vote following a roll call vote.

ADOPT AMENDED AND RESTATED ORDER CALLING DIRECTORS ELECTION

Ms. Carner reviewed an Amended and Restated Order Calling Directors Election. After review and discussion, Director Goff moved to adopt the Amended and Restated Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which passed unanimously following a roll call vote.

AUTHORIZE NOTICE OF ELECTION

Ms. Carner discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. Following review and discussion, Director Goff moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Brown seconded the motion, which passed unanimously following a roll call vote.

2020 BOND ELECTION

ADOPT RESOLUTION DESIGNATING AN AGENT OF THE SECRETARY OF THE BOARD OF DIRECTORS DURING THE 2020 BOND ELECTION PERIOD

Ms. Carner discussed procedures related to the postponed 2020 Bond Election. She reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors during the 2020 Bond Election Period. Following review and discussion, Director Goff moved to adopt a Resolution Designating an Agent of

the Secretary of the Board During the 2020 Bond Election Period appointing Kimberly Cannon as the agent of the Secretary of the Board of Directors to perform the Secretary's duties for the District's bond election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which was approved by unanimous vote following a roll call vote.

ADOPT AMENDED AND RESTATED ORDER CALLING BOND ELECTION

Ms. Carner reviewed an Amended and Restated Order Calling Bond Election. After review and discussion, Director Goff moved to adopt the Amended and Restated Order Calling Bond Election and direct that the Order be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which passed unanimously following a roll call vote.

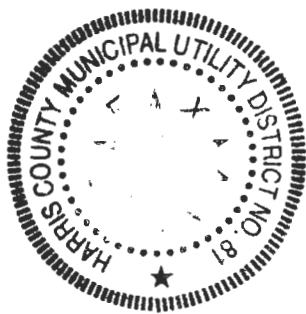
AUTHORIZE NOTICE OF ELECTION

Ms. Carner discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Harris County. Following review and discussion, Director Goff moved to authorize the Secretary's agent to post or publish and provide to the County Clerk and Voter Registrar Notice of Election, if required. Director Brown seconded the motion, which passed unanimously following a roll call vote.

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

	Minutes
	<u>Page</u>
Tax assessor/collector's report	2
Sales tax audit report.....	2
Bookkeeper's report.....	2
Operator's report.....	3
Engineer's report.....	4