

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

July 25, 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 25th day of July, 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; 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"); Kate Hallaway 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 June 27, 2019, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the June 27, 2019, regular meeting. Director Brown 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 June, a copy of which is attached. He stated the report reflects that the District's 2018 taxes were 97.90% 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, which carried by unanimous vote.

Mr. Fortner reviewed a delinquent tax roll, 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 presented two additional checks, check no. 15496 in the amount of \$3,703.00, payable to DAE & Associates Ltd. for storm water sewer testing, and check no. 15497 in the amount of \$10,500, payable to City Maintenance for the administration building renovations.

Director Goff inquired about an invoice from PG Investments for fuel delivery charges. He stated the invoice had a different District name. The Board directed MDS to verify the invoice is for the District.

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

## REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2014 BONDS

Ms. Carner reviewed the Arbitrage Rebate Report for the Series 2014 Bonds, a copy of which is attached. Ms. Carner stated that the District does not owe the Internal Revenue Service any payment for excess earnings on the Bonds.

## 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 2019-2020 school year. After review and discussion, Director Goff moved to approve the Interlocal Agreement and direct that the Agreement be filed appropriately and retained in the District's official records. 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 98.9% for May 2019.

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

Mr. Chapline reported there were five accounts totaling \$421.59 deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

## 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 AND ABANDONMENT OF INTERCONNECTS

Mr. Chapline discussed the District's interconnects and stated there are approximately 10. He stated he believes MDS will recommend abandoning at least four of the interconnects, but they are still working on their final recommendations.

## REVIEW RATE SCHEDULE UNDER WATER SUPPLY, WASTEWATER SERVICES AND GARBAGE COLLECTION AGREEMENT WITH MEMORIAL MUNICIPAL UTILITY DISTRICT, AND IF APPROPRIATE APPROVE AMENDMENTS TO SAME

Ms. Carner discussed the Water Supply, Wastewater Services and Garbage Collection Agreement with Memorial Municipal Utility District ("Agreement"). She stated the Agreement provides that at least every five years, the parties must review the Agreement for any updates needed to the rate schedule. After discussion, and based on the operator's recommendation, the Board concurred that no updates are needed at this time.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; and (2) write off the five delinquent account totaling \$421.59 which 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. Director Cox seconded the motion, which carried by unanimous vote.

## CUSTOMER REQUESTS

There were no customer requests.

## 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 Cadden, Andrews, Hendrix, and Mann 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 31, 2019, if their utility bills are not paid in accordance

with the District's Rate Order, except for customers Cadden, Andrews, Hendrix, and Mann, 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

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

#### REVIEW BIDS AND AWARD CONTRACT FOR NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT AT WATER PLANT NO. 4

Ms. Hallaway stated that BGE received four bids for the natural gas generator and MMC replacement at water plant no. 4. She reported that McDonald Municipal and Industrial, a Division of C.F. McDonald Electric ("McDonald"), submitted the lowest bid in the amount of \$778,469.00. Ms. Hallaway recommended that the Board award the contract to McDonald in the amount of \$778,469.00. The Board concurred that, in its judgment, McDonald was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

The Board considered adopting a Resolution Expressing Intent to Reimburse, which reflects the District's intention to reimburse the general fund from future water, sewer, and drainage bonds proceeds for eligible expenses in connection with the replacement of the gas generator and MCC at water plant no. 4. Discussion ensued regarding the portion of the project to be funded by existing surplus bond funds and the amount needed to reimburse the general fund from future bond proceeds.

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

Ms. Hallaway 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. She reported the booster pumps and motor are currently being assembled.

The Board considered adopting a Resolution Expressing Intent to Reimburse, which reflects the District's intention to reimburse the general fund from future water, sewer, and drainage bonds proceeds for eligible expenses in connection with the booster pump and motor replacement at water plant no. 4. Discussion ensued regarding the amount needed to reimburse the general fund from future bond proceeds.

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

Ms. Hallaway stated that BGE is preparing to solicit bids for the inspection of the sanitary sewer lines in Memorial Parkway Sections 1 and 2.

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

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

BOND APPLICATION NO. 8

Ms. Hallaway stated that BGE is finalizing Bond Application No. 8.

DRINKING WATER QUALITY

Ms. Hallaway discussed water quality samples taken from each well. A copy of the results are attached. She stated that BGE recommends the removal of well no. 4 for inspection in September. She requested authorization for BGE to prepare a scoping document for inspection and testing of well no. 4. After discussion, the Board concurred to authorize BGE to prepare a scoping document for the inspection and testing of well no. 4.

TELEVISIONING OF STORM WATER SEWERS AT WATER PLANT NO.2, RED ROCK CANYON DRIVE, COPPER CREEK DRIVE AND INDIAN RIDGE

Mr. Chapline stated MDS has televised and inspected the storm sewer lines, and reported no significant issues.

OTHER ENGINEERING ITEMS

Ms. Hallaway presented and reviewed bids submitted to power wash and clean the exterior portions of the elevated storage tank at water plant no. 3. She recommended the Board approve the bid from Preventative Services, LP ("Preventative"), in the amount of \$24,500.00. The Board determined that in its judgment, Preventative was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Following review and discussion, Director Cathcart moved to (1) approve the engineer's report; (2) award the contract for the replacement of the gas generator and MMC at water plant no. 4 to McDonald in the amount of \$778,469.00, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor; (3) adopt a Resolution Expressing Intent to Reimburse for the replacement of the gas generator and MMC at water plant no 4; (4) adopt a Resolution Expressing Intent to Reimburse for the booster pump and motor replacement costs at water plant no. 4; and (5) award the contract for power washing and cleaning the

exterior portions of the elevated storage tank at water plant no. 3 to Preventative, in the amount of \$24,500.00, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements, if any, provided by the contractor. Director Cox seconded the motion, which carried by unanimous vote.

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

Ms. Hallaway updated the Board on the sanitary sewer line rehabilitation project at the District administration building by Katy Plumbing. Ms. Hallaway stated the project will take approximately three weeks and is tentatively scheduled to begin on or about August 5th.

ADMINISTRATION BUILDING AND PARKING LOT REHABILITATION

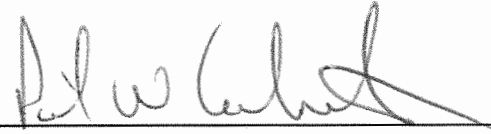
Discussion ensued regarding additional required maintenance at the District administration building, including interior and exterior painting, door refinishing, color options, and the parking lot light pole rehabilitation. Director Savage stated that City Maintenance has begun the interior work. Ms. Hallaway stated the interior improvements are scheduled to be complete on or about August 23rd.

The Board discussed vandalism that occurred at the Cinco Regional Sewage Treatment Plant and the possible need for security cameras. Ms. Johnson stated one of the current security cameras records blurry images and she is working with NCS on repairs. After discussion, the Board concurred to defer discussion of additional security cameras until the Operating Committee has a chance to discuss the matter.

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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