

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

July 25, 2024

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, 2024, and the roll was called of the members of the Board:

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 Renee Bulter of McLennan & Associates, LP; Kate Hallaway of BGE, Inc. (“BGE”); Isabel Mata of Wheeler & Associates, Inc. (“Wheeler”); Charlie Chapline of Municipal District Services, LLC (“MDS”); Stacy Lightsey, District employee; and Teshia Judkins and Kim Cannon of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

There were no public comments.

MINUTES

The Board considered approving the minutes of the June 27, 2024, regular meeting. After discussion, Director Olsen moved to approve the minutes of the June 27, 2024, regular meeting. Director Brown seconded the motion, which passed by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Mata reviewed the tax assessor/collector’s report for the month of June 2024. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District’s 2023 taxes were 96.36% collected as of the end of June.

After discussion, Director Olsen moved to approve the tax assessor/collector’s report and pay the bills from the tax account. Director Brown seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

Discussion ensued regarding the District's development status. Ms. Judkins reminded the Board of the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49 of the Texas Water Code, including the three main categories based on a district's development status and/or tax rate. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2024 tax year. Following review and discussion, Director Olsen moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developed District for the 2024 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed unanimously.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

There was no discussion on this matter.

BOOKKEEPER'S REPORT

The Board reviewed the bookkeeper's report, a copy of which is attached. Ms. Butler reviewed each District account and the bills to be paid, as well as a budget to actual comparison.

Director Goff inquired about a late payment fee in the amount of \$5,000.00 on the invoice from West Harris County Regional Water Authority. Ms. Butler stated she would get additional information regarding the late payment fee.

Ms. Bulter presented three additional checks for approval, check no. 3156 payable to B&B Locksmith in the amount of \$689.20, check no. 3157 payable to Boe Creative in the amount of \$3,773.00, and check no. 3158 payable to Omnicap Group in the amount of \$5,000.00.

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

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

There was no action on this matter.

OPERATOR'S REPORT

Mr. Chapline distributed and reviewed the operator's report, a copy of which is attached. He stated the water accountability for the month is 93%.

Mr. Chapline updated the Board on the District's facilities during and after Hurricane Beryl. He noted MDS is still investigating possible issues with the lift station generator and is also evaluating potential lessons learned by the extended power outages during the hurricane and will report back to the Board any recommended changes and/or repairs.

Mr. Chapline discussed the well motor at water plant no. 2 and stated the motor has failed and has been pulled for investigation.

Mr. Chapline distributed and reviewed the fire hydrant survey report. He stated that MDS recommends the District authorize the repairs indicated in the report, estimated to cost \$8,659.50, and authorize installation of the reflectors indicated in the report, estimated to cost \$1,550.01. He also noted the report includes an estimate in the amount of \$15,270.30 for water blasting and repainting certain fire hydrants, which is not required at this time but can be authorized later. Discussion ensued. A copy of the fire hydrant survey report, which includes the estimates, is attached.

Mr. Chapline discussed a proposed fourth amendment to the Service Agreement between the District and MDS to increase certain fees charged by MDS (the "Amendment"). He also distributed and reviewed a summary of the proposed fee increases and an estimate of the annual impact of approving the proposed fee increases, a copy of which is attached. Discussion ensued. Mr. Chapline noted that, if the District approves the Amendment, MDS will evaluate whether any changes are recommended to the District's Rate Order to reflect the increased expense to the District.

Mr. Chapline discussed the sanitary sewer line near Kenlake Drive, reports of backups in the line during heavy rainfall, and possible causes for backups in a sanitary sewer line. He requested that the sanitary sewer line be televised in the approximate amount of \$10,000.00. Discussion ensued, including discussion of an offer by Cornerstones Municipal Utility District ("Cornerstones") to share the cost equally with the District.

After discussion, Director Olsen moved to: (1) approve the operator's report; (2) approve the recommended fire hydrant repairs and installation of reflectors in an amount not to exceed \$10,209.51; (3) approve the Amendment, as presented, and direct that the Amendment be filed appropriately in the District's official records; and (4) approve televising of the sanitary sewer line near Kenlake Drive, as recommended. Director Brown seconded the motion, which passed by unanimous vote.

TERMINATION OF SERVICE

Mr. Chapline explained that MDS recommends not terminating water and sewer services to delinquent customers this month in light of Hurricane Beryl and the possible interruption of mail service during that time. Following discussion, the Board

concurrent not to terminate water and sewer services to delinquent accounts this month as recommended by the District's operator.

ENGINEER'S REPORT

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

CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Hallaway distributed and reviewed the updated CIP, a copy of which is attached to the engineer's report. Discussion ensued regarding the projects for the current year and status of same.

PARK YORK FORCE MAIN REPLACEMENT, INCLUDING EASEMENT ACQUISITION

Ms. Hallaway stated that design for this project is ongoing and coordination with the consultants assisting the District in acquiring the required easements is in process.

WATER PLANT NO. 3 ELEVATED STORAGE TANK REHABILITATION

Ms. Hallaway discussed the Water Plant No.3 elevated storage tank rehabilitation project and stated BGE has initiated the survey for the project.

HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS, INCLUDING ADDITIONAL DETENTION/MITIGATION

Ms. Hallaway stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway. She stated that Harris County is coordinating with the US Army Corps of Engineers for their acceptance of the proposed design.

SANITARY SEWER REHABILITATION FOR MEMORIAL PARKWAY, SECTIONS 3, 4, AND 5

Ms. Hallaway stated that five bids were received for the sanitary sewer rehabilitation project for Memorial Parkway Sections 3, 4 and 5. Ms. Hallaway recommended that the Board award the contract, including the base bid and supplemental bid items, to the low bidder, Champion Cleaning Specialties, Inc. ("Champions"), in the amount of \$1,386,152.22. The Board concurred that, in its judgment, Champions 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. Ms. Hallaway noted that this project is included in bond application no. 9 and the District intends to use bond funds to pay for the project.

CIMARRON, SECTIONS 1, 2 AND 3 SANITARY SEWER LINE REHABILITATION AND MEMORIAL PARKWAY, SECTIONS 6, 7 AND 8 SANITARY SEWER LINE REHABILITATION

Ms. Hallaway stated that the contractor for the sanitary sewer line televising and cleaning for Cimarron, Sections 1, 2 and 3 and Memorial Parkway, Sections 6, 7, and 8 is Chief Solutions ("CS"). She stated BGE is currently reviewing the sanitary sewer line televising tapes. Ms. Hallaway then requested approval of Pay Estimate No. 5 in the amount of \$13,494.19.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway updated the Board on the status of bond application no. 9 and stated the draft application will be completed soon.

PROPOSED STORM SEWER INLET MARKER SCOUT PROJECT, INCLUDING INLET MAP, INLET MARKERS AND LETTER AGREEMENT(S) WITH SCOUT PARTICIPANTS

Ms. Judkins and Ms. Hallaway discussed the storm sewer inlet marker Eagle Scout project. Ms. Hallaway presented a map of the inlets indicating inlets that were marked previously. A copy of the map is attached.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to: (1) approve the engineer's report; (2) award the contract, including the base bid and supplemental bid items, for the construction of the sanitary sewer line rehabilitation project for Memorial Parkway, Sections 3, 4 and 5, in the amount of \$1,386,152.22, subject to approval of the payment and performance bonds and verification of insurance; and (3) approve Pay Estimate No. 5 in the amount of \$13,494.19, payable to CS. Director Brown seconded the motion, which passed by unanimous vote.

REPORT ON WEST MEMORIAL MUNICIPAL UTILITY DISTRICT SEWAGE TREATMENT PLANT MEETING AND PROPOSED PLANT IMPROVEMENTS

Director Cox reported there was no West Memorial Municipal Utility District Sewage Treatment Plant meeting due to Hurricane Beryl. There was no further discussion on this matter.

OPERATION, REPAIR, MAINTENANCE AND RENTAL OF ADMINISTRATIVE OFFICE AND DISTRICT WEBSITE, COMMUNICATION, AND EMPLOYMENT MATTERS

Ms. Lightsey reported on communications with residents regarding debris pickup by Harris County following Hurricane Beryl. The Board discussed attempts to

get updated information from Harris County regarding the status of debris pickup by the County.

Ms. Lightsey also discussed damages to the administration building following Hurricane Beryl. She further stated the great room at the administration building has damage to the glass ceiling and she has requested proposals for review at the next meeting.

REVIEW RATE SCHEDULE UNDER WATER SUPPLY, WASTEWATER SERVICES AND GARBAGE COLLECTION AGREEMENT WITH MEMORIAL MUNICIPAL UTILITY DISTRICT

Ms. Judkins 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. She stated that no requested revisions have been received. After discussion, and based on the operator's recommendation, the Board concurred that no updates are needed at this time.

REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2014 BONDS

Ms. Judkins reviewed the interim arbitrage rebate report for the Series 2014 Unlimited Tax Bonds prepared by OmniCap Group (the "Report"). She stated the Report indicates no payment is due to the Internal Revenue Services and the Report will be filed in the District's official records.

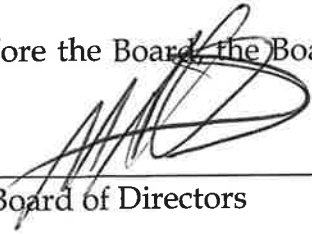
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY (THE "WHCRWA")

Ms. Judkins discussed notices from the WHCRWA regarding the WHCRWA's brief implementation of Stage 1 of its Drought Contingency Plan due to Hurricane Beryl. A copy of the notices are attached.

APPROVE CYBERSECURITY INSURANCE RENEWAL PROPOSAL

Ms. Judkins reviewed a proposal from McDonald & Wessendorff for the renewal of the District's cybersecurity insurance policy. She noted that, according to the proposal, the renewal is for less than one year so that the term of the renewed policy will align with the term of the District's other insurance policies and all of the District's insurance policies will be up for renewal at the same time. After discussion, Director Cox moved to approve the renewal of the District's cybersecurity insurance policy, as presented. Director Olsen seconded the motion, which carried by unanimous vote.

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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