

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

July 26, 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 26th day of July, 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, and Warren Brown, 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 June 28, 2018, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the June 28, 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 June, a copy of which is attached. He stated the report reflects that the District's 2017 taxes were 98.34% collected as of the end of June. 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.

## 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.

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

## AUTHORIZE EXECUTION OF INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT FOR WATER WISE 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 2018-2019 school year. After review and discussion, Director Cathcart moved to approve and authorize execution of 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 90.4% for June 2018. Discussion ensued regarding the lower than usual water accountability for the month. Mr. Chapline stated flushing of lines and check valve work contributed to the lower than usual accountability for the month.

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

Director Goff inquired about the invoices from MDS regarding time entries to and from resident inspections. Discussion ensued.

Director Goff inquired about procedures for backcharging utility providers for damage to District facilities. Discussion ensued.

Director Goff inquired about the lift station alarm and procedures to reset the auto dialer. Discussion ensued.

Mr. Chapline stated that MDS will be presenting recommended adjustments to certain inspection and other fees and a corresponding request for updates to the current Rate Order at the next Board meeting.

Mr. Chapline stated the Sundance Valley Road sanitary sewer repairs are approximately 50% complete.

After review and discussion, Director Cathcart moved to approve the operator's report. Director Brown seconded the motion which carried by unanimous vote.

### CUSTOMER REQUESTS

Discussion ensued regarding the customer notification of additional deposits required following disconnection of customer accounts due to non-payment. Following discussion, Mr. Chapline stated MDS can include a utility bill insert and update the delinquent letters to include customer education regarding the additional deposits required for disconnected accounts.

Director Goff discussed the sidewalk, driveway and street conditions near 815 Red Rock Canyon. He stated the sidewalk, driveway and street are sinking. Mr. Chapline stated MDS has investigated the conditions and found no District issues. Mr. Baker discussed a previous repair by Harris County in a similar situation. He stated he would contact Harris County to request that they raise the sunken areas.

After discussion, Director Cathcart moved to (1) authorize MDS to include a utility bill insert and update the delinquent letter sent to District residents regarding additional deposits required following disconnection of service; and (2) authorize BGE to contact Harris County to request repairs to the sinking pavement near 815 Red Rock Canyon. Director Brown seconded the motion, which carried by unanimous vote.

### 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 Young, Silver, and Shaik requested an extension for payment of their delinquent accounts.

Following review and discussion, Director Cox 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 August 1, 2018, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Young, Silver, and Shaik 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

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 AND FACILITY REPAINTING AT WATER PLANT NO. 1

Mr. Baker reviewed and recommended approval of Pay Estimate No. 8, in the amount of \$26,739.00 to Nunn Constructors, Inc., for the water plant no. 1 rehabilitation project. He stated the total cost for the project is \$946,250.00.

PARK BEND AND STRAWBERRY PARK STORM SEWER INLET IMPROVEMENTS

Mr. Baker stated that BGE has completed the survey and the design of the storm sewer inlets at Park Bend and Strawberry Park. He stated BGE would include separate bid items for each of the proposed 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 elevated storage tank, 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 approve the engineer's report and approve Pay Estimate No. 8 in the amount of \$26,739.00, payable to Nunn Constructors, Inc., based on the engineer's recommendation. Director Brown seconded the motion, which carried by unanimous vote.

CAPITAL IMPROVEMENT PLAN

Discussion ensued regarding the capital improvement plan and potential changes in timelines for future projects. Mr. Baker stated he will update the capital improvement plan and prioritize projects as discussed for the next regular Board meeting.

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, INCLUDING REPORT ON REPLACEMENT OF AIR CONDITIONING UNIT

Ms. Johnson stated the replacement of the air conditioning unit is complete.

Ms. Johnson discussed the security cameras at the administration building and at District facilities. She stated a larger hard drive has been installed for more storage of the camera footage, but they still are not storing sufficient data. Ms. Johnson stated Network Cabling Services is continuing to work on the camera hard drives.

REQUEST FROM MEMORIAL PARKWAY COMMUNITY ASSOCIATION FOR FUNDING OF RECREATIONAL FACILITIES

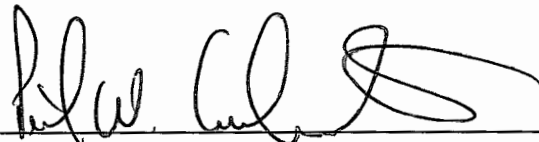
The Board reviewed a park plan proposal from Memorial Parkway Community Association (the "Association") and requested financial assistance in the amount of \$250,000 for the \$400,000.00 park project. A copy of the proposal and construction plans are attached.

After discussion regarding current and planned capital projects, the Board concurred to deny the request and to not to authorize ABHR to send correspondence to the Association regarding same.

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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