

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

July 27, 2017

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 27th day of July, 2017, and the roll was called of the duly constituted members of the Board of Directors, 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, except Director Goff, thus constituting a quorum.

Also present were Terry Savage, a member of the public; Barbara Burleson and Amy Roberts of Memorial Parkway Homeowners Association; Ryan Fortner of Wheeler and Associates, Inc.; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Mary Lutz and Allyson Baker of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Daniel Sparks 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 15, 2017, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the June 15, 2017, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

REQUEST FROM MEMORIAL PARKWAY ELEMENTARY REGARDING FUNDING FOR SPARK PARK

The Board discussed the request for assistance in funding a Community SPARK Park. Discussion ensued regarding the District's budget and funds available public community projects. The Board concurred to defer further discussion to the next regular meeting.

REQUEST FROM MEMORIAL PARKWAY COMMUNITY ASSOCIATION  
REGARDING DEVELOPMENT OF PLAYGROUND AND OTHER RECREATIONAL  
FACILITIES ADJACENT TO HARRIS COUNTY HIKE AND BIKE TRAIL

Ms. Burleson presented and reviewed a park plan, a copy of which is attached. She requested financial assistance from the District to help fund the Memorial Parkway Community Association Park. After discussion, the Board deferred further discussion to the next meeting.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2007 BONDS

Ms. Carner reviewed the Arbitrage Rebate Report for the Series 2007 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.

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 2016 taxes are 97.91% collected as of the end of June. After discussion, Director Brown moved to approve the tax assessor/collector's report and pay the bills. Director Cox seconded the motion, which carried by unanimous vote.

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

BOOKKEEPER'S REPORT

The Board received 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 Brown seconded the motion, which carried by unanimous vote.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE,  
APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE  
ATTENDANCE AT THE WINTER CONFERENCE

After discussion, Director Cathcart moved to approve reimbursement of eligible expenses from the Association of Water Board Directors ("AWBD") summer conference and authorize attendance of the directors and District employees at the winter conference. 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 93.70% for June 2017.

Mr. Chapline reviewed additional repair and maintenance items performed during the month. He then presented a list of delinquent accounts that are deemed not to be collectible and requested authorization to write off the delinquent accounts and submit same to a collection agency.

Ms. Carner updated the Board on the resident communications regarding the potential encroachment at water plant no. 4 site. Mr. Chapline stated he received one proposal to replace the chain link fence between the resident's home and water plant no. 4 in the amount of \$10,500.00. He requested to meet with Director Savage on site to inspect the fence at water plant no. 4 and stated he would request additional proposals before the net meeting.

After review and discussion, Director Cathcart moved to approve the operator's report and write off the delinquent accounts that 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

Ms. Johnson reviewed a customer complaint regarding loud noises after 11:00 pm on Sunday night at the District administrative building during a party. Discussion ensued regarding the current District rental agreement and the time restrictions for parties. After discussion, the Board concurred to add an agenda item to the next meeting agenda to discuss whether to amend the current District rental agreement to set an earlier ending time for Sunday building rentals.

Ms. Johnson stated that a disabled resident at 958 Three Forks Drive requested a waiver of delinquent fees and penalties due to late payment of her utility bill. Following discussion, the Board concurred to deny the residents request.

Ms. Johnson stated that the customer at 1270 Rock Canyon requested assistance with their utility bill after a leak was found on their property which caused very high water usage. After discussion the Board concurred to deny the request.

Ms. Johnson stated that the resident at 21423 Park Bend Drive reported periodic discolored water and requested that the water be tested. After discussion, the Board authorized MDS to test the residents water.

## 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 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 Rose Galbreath and Johana Estrada requested an extension for payment of their delinquent accounts.

Following review and discussion, Director Brown 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 2, 2017, if their utility bills are not paid in accordance with the District's Rate Order, except for Rose Galbreath and Johana Estrada and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed unanimously.

## ENGINEER'S REPORT

Mr. Baker presented the engineer's report, a copy of which is attached.

## GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 1

Mr. Baker stated the Application to the Texas Commission on Environmental Quality (the "TCEQ") for Use of Surplus Funds and Change in Project Scope was approved for the water plant no. 1 booster pump replacement and the ground storage tank and hydro-tank rehabilitation project.

## GROUND STORAGE TANK AND HYDRO TANK REHABILITATION, REPLACEMENT OF WELL MOTOR AND WELL ASSEMBLY AND INSTALLATION OF WELL COVER AT WATER PLANT NO. 4

Mr. Baker stated that Schier Construction installed the sound enclosure, rerouted electrical conduits and painted the interconnecting piping.

## TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

The Board deferred discussion regarding the rehabilitation of the sanitary sewer system in Cimarron Subdivision, Sections 1 and 2.

## WATER MODELING STUDY

Mr. Baker reported that BGE has resumed the water modeling study since water plant no. 4 became operational and has completed the calibration testing. He reported that the testing concluded there is a potential operating issue at water plant no. 3, and BGE and MDS are investigating the issue.

## HARRIS COUNTY PRECINCT 3 EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD

Ms. Carner updated the Board on the easement acquisition for the Harris County extension of the hike and bike trail. Discussion ensued.

## CAPITAL IMPROVEMENT PLAN

Mr. Baker reviewed an updated Capital Improvement Plan, a copy of which is included in the engineer's report.

## OTHER ENGINEERING MATTERS

Mr. Baker reported that a preconstruction meeting with Harris County was held regarding the force main project which will transfer wastewater from George Bush Park to the Cinco Regional Wastewater Treatment Plant, and a notice to proceed was issued on March 6, 2017. He stated the force main construction is complete to the Cinco Regional facility.

Mr. Baker reported that a resident notified the District of sinkholes adjacent to multiple drainage structures near a Harris County Flood Control District ("HCFCD") ditch (T101-07) north of Cimarron Parkway. He stated BGE informed HCFCD, and HCFCD is expected to repair the sinkholes within three to six months.

Following review and discussion, Director Cathcart moved to approve the engineer's report. 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 reported on the West Memorial Sewage Treatment Plant meeting. Discussion ensued regarding West Memorial's generator replacement.

REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE BUILDING AND DISTRICT WEBSITE

Ms. Johnson reported on the maintenance of the administrative building. She stated a resident contacted the District officer regarding utilizing a church pledge to assist with payment of the utility bill. Discussion ensued regarding the timing of the payment required for the utility bill. She stated a pledge can take up to 45 days to be received. The Board confirmed that the payment must be made by the due date, as specified in the rate order.

Discussion ensued regarding timeliness in payments made by the District's bookkeeper, including to the District's employees. The Board directed the bookkeeper to ensure that all payments are timely made.

AUTHORIZE EXECUTION OF INTER LOCAL 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 2017-2018 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.

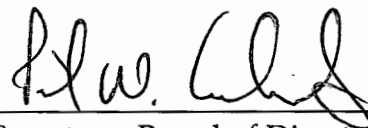
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

There was no discussion on this matter.

REPORT ON LEGISLATIVE MATTERS

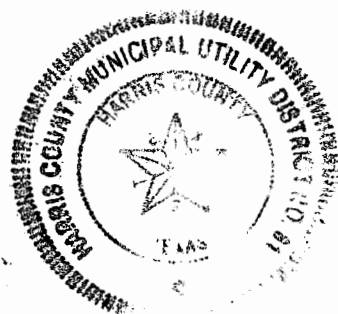
Ms. Carner distributed and reviewed the Capitol Report regarding current legislative matters.

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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