

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

July 28, 2016

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 Dr., Katy, Texas 77450, inside the boundaries of the District, on the 28th day of July, 2016, 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, thus constituting a quorum.

Also present were Terry Savage, member of the public; Erick Mann of LegalShield; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Shirley McLennan and Diane Doyle of McLennan & Associates, L.P. ("McLennan"); Doug Baker of Brown & Gay Engineers, Inc. ("BGE"); Robert Taylor of Network Cabling Services, Inc. ("NCS"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Cheryl Panozzo of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the June 30, 2016, regular meeting and the July 14, 2016, special meeting. After discussion, Director Cathcart moved to approve the minutes of the June 30, 2016, regular meeting and the July 14, 2016, special meeting. Director Cox seconded the motion, which carried by unanimous vote.

PUBLIC COMMENTS

Mr. Mann presented information regarding prepaid legal and identity protection services offered by LegalShield.

REQUEST FOR FUNDING HARRIS COUNTY PRECINCT 3'S EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD

There was no discussion on this agenda item.

REQUEST FOR INSTALLATION OF SIDEWALK ALONG CIMARRON PARKWAY
BETWEEN MASON ROAD AND MESA TERRACE

Mr. Baker gave an update regarding the proposed sidewalk along Cimarron Parkway between Mason Road and Mesa Terrace. He stated Harris County Engineering Department is preparing a report of residential fences that potentially could be encroaching into the Cimarron Parkway right-of-way.

TAX ASSESESOR/COLLECTOR REPORT

The Board reviewed the tax assessor/collector's report for the month of June, a copy of which is attached. It was noted the tax report reflects that the District's 2015 taxes are 97.14% collected as of the end of June. After review and 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.

BOOKKEEPER'S REPORT

Ms. McLennan introduced Ms. Doyle to the Board and stated Ms. Doyle will be attending future Board meetings. The Board received the bookkeeper's report, a copy of which is attached. Ms. McLennan reviewed each District account and the bills to be paid, as well as a budget to actual comparison, and the debt service requirements. 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.

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 97.1% for the period ending June 15, 2016.

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.

Discussion ensued regarding the resident at 22410 Waynoka who made unauthorized connections to the District's water line. Following discussion, the Board requested MDS install a locked and sealed water meter at the property.

Ms. Carner presented a proposal from Cornerstones Municipal Utility District ("Cornerstones MUD"), a copy of which is attached, to rehabilitate the interconnect and install an interconnect meter. She stated Cornerstones MUD is requesting the District share equally in the cost of the meter replacement.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; (2) write off the delinquent accounts that are deemed not to be collectible, submit same to a collection agency, and direct that the delinquent account list be filed appropriately and retained in the District's official records; and (3) approve the proposal from Cornerstones MUD for the District's one-half share of the interconnect rehabilitation and meter installation. Director Cox seconded the motion, which carried by unanimous vote.

PAYMENT SERVICES AGREEMENT WITH FIRST BILLING, INCLUDING TERMINATION OF CURRENT AGREEMENT(S) AND EXECUTION OF RELATED DOCUMENTS

Mr. Chapline presented an Addendum to Operator Service Agreement between MDS and the District, Cancellation Letter from the District to BBVA Compass Bank, Amended and Restated Resolution Approving Additional Payment Services for District Customers, Amended and Restated Processing Agreement between BBVA Compass Bank and the District, and a Payment Services Agreement between First Mobile Trust, LLC, and the District in connection with additional payment options by which District residents can pay water bills. After discussion, Director Cathcart moved to (1) approve the Addendum to Operator Service Agreement; (2) approve the Cancellation Letter to BBVA Compass Bank; (3) adopt the Amended and Restated Resolution Approving Additional Payment Services for District Customers; (4) approve the Amended and Restated Processing Agreement between BBVA Compass Bank and the District; (5) approve the Payment Services Agreement between First Mobile Trust, LLC, and the District; and (6) direct that the Addendum, Cancellation Letter, Resolution, and Agreements be filed appropriately and retained in the District's official records. Director Cox 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 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 no one had requested an extension for payment of a delinquent account, except Amy Hoffman, Antonio Pedraza, Johana Estrada, Sonia Craig, and Loyce Womack.

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 if their utility bills are not paid in accordance with the District's Rate Order, except Amy Hoffman, Antonio Pedraza, Johana Estrada, Sonia Craig, and

Loyce Womack, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Goff seconded the motion, which passed unanimously.

ENGINEER'S REPORT

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

Mr. Baker reported the District received complaints of odor from Lift Station No. 1. He presented proposals from Newman Regency Group ("Newman") in the amounts of \$1,115.00 and \$4,565.00 for media replacement at and service of Lift Station No. 1, copies of which are attached.

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

The Board did not discuss this item.

GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 4

Mr. Baker reviewed and recommended that the Board approve Pay Estimate No. 6 in the amount of \$71,460.00 payable to Schier Construction, Inc. ("Schier") for ground storage tank and hydro tank rehabilitation at water plant no. 4. After discussion, Director Cox moved to approve Pay Estimate No. 6 to Schier, based on the engineer's recommendation. Director Goff seconded the motion, which carried by unanimous vote.

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, although the water model has been built, calibration of this model cannot be complete until all four water plants are back in service.

INSTALLATION OF PATCHES AT WATER WELL NO. 4

Mr. Baker reported modifications to the screens at Water Well No. 4 have been classified as an emergency construction project by the Texas Commission on Environmental Quality ("TCEQ"). He reviewed a letter from the TCEQ authorizing the District to proceed with the emergency repairs, a copy of which is attached to the engineer's report.

ELECTRONIC SIGN AT WATER PLANT NO. 4

Mr. Baker reported regarding installation of a programmable LED sign at water plant no. 4. He presented a rendering of the proposed sign and a proposal from Stanley Signature Signs ("Stanley") in the amount \$35,939.00, a copy of which is attached. Following review and discussion, the Board requested Mr. Baker request pricing from Stanley for additional sign options.

CAPITAL IMPROVEMENT PLAN

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

After discussion, Director Cox moved to (1) approve the engineering report; (2) approve Pay Estimate No. 6 in the amount of \$71,460.00 to Schier, based on the engineer's recommendation; and (3) approve the proposals from Newman. Director Goff seconded the motion, which carried by unanimous vote.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT ("WEST MEMORIAL") SEWAGE TREATMENT PLANT MEETING, INCLUDING PROPOSALS FOR ON-SITE GENERATOR

Director Cox reported on the West Memorial Plant meeting.

REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE BUILDING AND DISTRICT WEBSITE, INCLUDING PROPOSAL FOR FIREARMS NOTICE SIGNS, PROPOSALS FOR REPLACEMENT SECURITY CAMERA EQUIPMENT, AND REPORT ON TELEVISIONING OF SANITARY SEWER LINES

Ms. Johnson reported on the maintenance of the administrative building.

The Board discussed the District's security camera equipment. Ms. Carner noted the maintenance agreement with Fisk Electric expires next month. Mr. Taylor presented a proposal for maintenance and repair of the security camera equipment. Mr. Chapline stated Today's Integration contacted him regarding a site visit to the District in order to prepare a proposal for maintenance of the District's security camera equipment. Following discussion, the Board concurred to review proposals for security camera equipment maintenance and repair next month. The Board requested Mr. Taylor provide a proposal for replacement of the District's security camera equipment next month.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Director Cathcart reported on the WHCRWA pump station open house he attended on July 23, 2016.

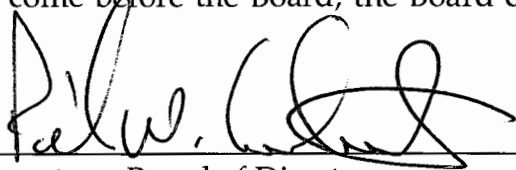
REPORT ON KATY AREA ECONOMIC DEVELOPMENT COUNCIL ("COUNCIL")

Discussion ensued regarding the Council meeting schedule.

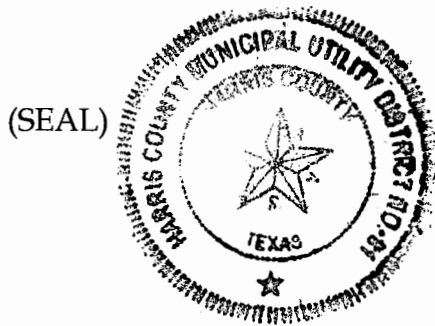
APPROVE INTERLOCAL AGREEMENT FOR WATER WISE PROGRAM

Ms. Carner stated the District has not yet received the Interlocal Agreement from the Harris-Galveston Subsidence District for the District's sponsorship of the Water Wise Program for the 2016-2017 school year. The Board concurred to defer discussion regarding the Interlocal Agreement to next month.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.



Secretary, Board of Directors



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