

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

July 28, 2022

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 28th day of July 2022, 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 Jana and Caleb Powers, residents of the District; Renee Butler of McLennan & Associates, L.P. ("McLennan"); Kate Hallaway and Aaron Orozco of BGE, Inc. ("BGE"); Isabelle Mata of Wheeler & Associates, Inc. ("Wheeler"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Doris Vogt and Starr Johnson, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Powers introduced himself and stated he is attending the District Board meeting to earn his communications badge for the Boy Scouts.

MINUTES

The Board considered approving the minutes of the June 16, 2022, regular meeting. After discussion, Director Cox moved to approve the minutes of the June 16, 2022, 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 2022. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2021 taxes were 97.48% collected as of the end of June.

Ms. Mata requested that the District transfer its funds from Allegiance Bank to Frost Bank, due to increased fees. Ms. Carner noted she will add an item to the next agenda for the Board to consider approving a Depository Pledge Agreement (“DPA”) with Frost Bank.

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 2022 TAX YEAR

Discussion ensued regarding the District’s development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2022 tax year. Following review and discussion, Director Cox moved to adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developed District for the 2022 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 Olsen seconded the motion, which passed unanimously.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

There was no discussion on this matter.

APPOINTMENT OF NEW INVESTMENT OFFICER

Ms. Carner reminded the Board that Director Goff has resigned as the District’s Investment Officer. The Board then discussed a replacement Investment Officer for the District. Director Olsen stated he was interested in becoming the District’s Investment Officer. Ms. Carner reviewed a proposed Resolution Changing and Appointing Investment Officer for the Board’s consideration, which reflects the appointment of Director Olsen as the District’s Investment Officer.

Ms. Carner stated that Director Olsen, as the District’s Investment Officer, is required to execute a disclosure statement that discloses any relationship with banks and brokers who seek to sell investments to the District. She added that the disclosure statement will be filed with the Texas Ethics Commission and updated whenever necessary.

Ms. Carner reported that the District’s DPA with Central Bank will need to be updated with an Amended Exhibit A, which reflects Director Olsen as the District’s Investment Officer.

AUTHORIZE EXECUTION OF THE DISTRICT REGISTRATION FORM

Ms. Carner stated the District Registration Form will be updated to reflect the appointment of Director Olsen as the Investment Officer.

Following review and discussion, Director Cathcart moved to (1) adopt the Resolution Changing and Appointing Investment Officer reflecting the appointment of Director Olsen as the District's Investment Officer; (2) accept the disclosure statement from Director Olsen and direct that the statement be filed with the Texas Ethics Commission, as required, and retained in the District's official records; (3) approve the Amended Exhibit A to the Depository Pledge Agreement with Central Bank; and (4) approve the amended District Registration Form and direct that the form be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed unanimously.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE

Ms. Carner noted that no Directors attended the AWBD summer conference. The Board considered authorizing attendance at the AWBD winter conference from January 27-28, 2023 in Austin, Texas. After discussion, Director Olsen moved to authorize attendance by all interested directors and employees at the AWBD winter conference. Director Goff seconded the motion, which passed unanimously.

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.

Ms. Butler presented three additional checks, check no. 1691, in the amount of \$80.00, payable to SWAT Team, check no. 1692, in the amount of \$213.92, payable to DSHS Central Lab, and check no. 1693, in the amount of \$3,773.00, payable to Boe Creative.

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

GARBAGE AND RECYCLING MATTERS, INCLUDING ADOPT AMENDED RATE ORDER

Ms. Carner reminded the Board that at the previous Sewage Treatment Plant meeting the Board approved District's annual CPI increase for 2023 and a fuel increase of an additional 4%, which results in an increased rate for garbage and recycling collection of \$2.88 per month per residence. She added that, if the Board passed the cost to customers, the current residential sewer rate will increase from \$34.17 to \$37.05.

The Board discussed amending the Rate Order to incorporate the \$2.88 increase in the sewer portion of the bills for single-family residential users. After discussion, Director Cathcart moved to adopt the Amended Rate Order, as discussed, and direct that the Rate Order 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 distributed and reviewed the operator's report, a copy of which is attached. He stated the water accountability for the month is 92.00%.

Mr. Chapline discussed the District's well production reports. He stated that well no. 1 is vibrating but recommended to delay pulling the well for inspection until well no. 2 repairs are complete.

Mr. Chapline reported there are six accounts totaling \$508.05, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Mr. Chapline stated the District's interconnect with Cimmaron Municipal Utility District remains open as they continue to make repairs to their water plant.

Mr. Chapline discussed the irrigation repairs needed at water plant no. 1 and stated the cost is \$2,300.00. He stated the cost for the irrigation repairs at the Administration Building is \$1,350.

UPDATE ON REPAIRS OF ADMINISTRATION BUILDING SIDEWALKS AND LANDSCAPE RESTORATION

There was no discussion on this matter.

After discussion, Director Brown moved to (1) approve the operator's report; (2) write off six delinquent accounts totaling \$508.05, which are deemed uncollectible, submit same to a collection agency, and direct that the uncollectible accounts list be filed appropriately and retained in the District's official records; and (3) approve irrigation repairs in the amount of \$2,300.00 at water plant no. 1 and in the amount of

\$1,350 for the Administration Building. Director Olsen seconded the motion, which passed by unanimous vote.

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, except for customers Smith, Nathaniel and Alexander.

Following review and discussion, Director Olsen 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 3, 2022, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Smith, Nathaniel and Alexander, 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 by unanimous vote.

ENGINEER'S REPORT

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

CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Hallaway stated BGE has completed the revised CIP, a copy of which is attached to the engineer's report. She stated no additional recommendations were received and requested approval of the CIP.

MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER LINE REHABILITATION

Ms. Hallaway stated that Texas Pride Utilities is the contractor for this project. She stated the project is near completion.

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

Ms. Hallaway updated the Board on the preparation of the plans for the cleaning and television of Memorial Parkway, Sections 3, 4, and 5 sanitary sewer lines. She stated BGE plans to solicit for bids in advance of next month's meeting.

PARK YORK FORCE MAIN REPLACEMENT

Ms. Hallaway stated BGE is currently preparing the plans and specifications for the relocation of the Park York force main. She stated that Harris County Flood Control District has given approval to relocate the force main, as previously proposed.

WATER PLANT NO. 2 WELL REHABILITATION

Ms. Hallaway stated C&C Water Services ("C&C") is the contractor for the well rehabilitation at water plant no. 2. She stated BGE is currently scheduling the preconstruction meeting.

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 and Cimarron Sections 2, 3, 4 and 5.

Ms. Hallaway stated that Harris County has re-bid the Cimarron Sections 2, 3, 4 and 5 drainage improvement project. She stated the District recommended that Harris County award the contract to the second lowest bidder, WadeCon in the amount of \$11,824,535 at the last meeting. She requested authorization to submit a letter to Harris County explaining BGE's reasons for recommending rejection of the apparent low bidder.

WATER PLANT NOS. 1, 2 AND 4 GROUND STORAGE TANK ALTERNATE FILL LINE INSTALLATION

Ms. Hallaway stated the contractor for the water plant nos. 1, 2 and 4 ground storage tank fill line installation is Blastco Texas, Inc ("Blastco"). Ms. Hallaway stated that Blastco has submitted Change Order No. 2 in the amount of \$17,864.32, for consideration. The Board determined that Change Order No. 2 is beneficial to the District.

Discussion ensued regarding the delayed timeline for the project. The Board requested that BGE obtain an updated schedule from Blastco.

DISINFECTION SYSTEM UPGRADES AT WATER PLANT NOS. 1, 2, 3 AND 4

Ms. Hallaway stated that W.W. Payton Inc. is the contractor for this project. Ms. Hallaway requested approval of Pay Estimate No. 3 and Final in the amount of \$9,500.00, and to accept the project into District maintenance.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Ms. Hallaway stated CSE W- Industries, Inc. ("CSE"), is the contractor for the well rehabilitation project. She stated BGE is currently scheduling the preconstruction meeting.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway stated BGE is currently preparing bond application no. 9.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to (1) approve the engineer's report; (2) approve the Capital Improvement Plan; (3) authorize BGE to submit a letter to Harris County explaining the reasons for recommending rejection of the apparent low bidder, WadeCon for the Cimarron Parkway Sections 2, 3, 4 and 5 drainage project; (4) approve Change Order No. 2 in the amount of \$17,864.32, as an increase to the contract with Blastco, based upon the Board's determination that the Change Order is beneficial to the District; and (5) approve Pay Estimate No. 3 and Final in the amount of \$9,500.00, payable to W.W. Payton, and accept the project for District maintenance. Director Cox seconded the motion, which passed 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.

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

The Board discussed the current cleaning schedule for the Administration Building, including additional cleanings after meetings and events. Director Brown distributed and reviewed a monthly schedule of cleanings for the months of January to July, 2022, a copy of which is attached. Discussion ensued regarding the 2Detail contract for cleaning services. The Board requested that Director Brown review the current contract and provide recommendations for modifications to the cleaning schedule.

Ms. Johnson discussed a proposal from Custom Cutters for vine removal on the Administration Building fence near the parking lot, in the amount of \$450.00.

Ms. Johnson discussed a proposal from City Maintenance for replacement of the sign in the parking lot in the amount of \$751.25. She noted a new pole would be installed along with the sign.

Ms. Johnson discussed the access control at the Administration Building and noted Sonitrol is not responsive when contacted. She requested that the Board consider

Fisk Electric to provide monitoring and maintenance of the access control, fire suppression, and security system at the building.

After discussion, Director Olsen moved to (1) approve the Custom Cutters proposal in the amount of \$450.00 for removal of the vines on the Administration Building fence; (2) approve the City Maintenance proposal in the amount of \$751.25 for the replacement of the sign in the parking lot; and (3) authorize solicitation of a bid from Fisk Electric for the maintenance and monitoring of the Administration Building access control, fire suppression, and security system. Director Brown seconded the motion, which carried by unanimous vote.

DISCUSS DISTRICT ADMINISTRATION BUILDING RENTAL POLICIES

Ms. Johnson discussed renting the building to the Garden Club and inquired about responsibilities of the renters at events held at the Administration Building. Ms. Carner noted that, under the District’s Rental Policy, the responsible party is the person who signs the rental agreement.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY (“AUTHORITY”)

The Board discussed correspondence from the Authority regarding water conservation and the Authority’s Drought Contingency Plan, copies of which are attached.

INTERLOCAL AGREEMENT WITH HARRIS-GALVESTON SUBSIDENCE DISTRICT

Ms. Carner presented a draft Interlocal Agreement for the 2022-23 Water Wise Program. After review and discussion, Director Cathcart moved to approve the Interlocal Agreement for the Water Wise Program and direct that the Agreement be filed appropriately and retained in the District’s official records. Director Brown seconded the motion, which passed by unanimous vote.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax assessor/collector's report	1
Bookkeeper's report.....	3
Operator's report.....	4
Engineer's report.....	5
Cleaning schedule January through July 2022.....	7
correspondence from the Authority	8