

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

August 22, 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 22nd day of August, 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 Pam Redden of McLennan & Associates, LP; Kate Hallaway of BGE, Inc. (“BGE”); Johnnie Thompson of Wheeler & Associates, Inc. (“Wheeler”); Richard Roberts 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 July 25, 2024, regular meeting. After discussion, Director Brown moved to approve the minutes of the July 25, 2024, regular meeting. Director Olsen seconded the motion, which passed by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Thompson reviewed the tax assessor/collector’s report for the month of July 2024. A copy of the tax assessor report is attached. Ms. Thompson stated the report reflects that the District’s 2023 taxes were 96.68% collected as of the end of July.

Ms. Thompson next reviewed a report from the District’s delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP (“Perdue”), a copy of which is attached to the tax report.

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

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board deferred discussion of this matter, pending receipt of the certified values from Harris County.

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. Redden reviewed each District account and the bills to be paid, as well as a budget to actual comparison.

Ms. Redden updated the Board on the late payment fee in the amount of \$5,000.00 on the invoice from West Harris County Regional Water Authority ("WHCRWA") from last month's meeting. She stated after investigation, the late payments were assessed due to checks not being received by the WHCRWA. She explained a request for a one-time waiver of the late payment fee has been submitted to the WHCRWA for consideration and the payment process for the WHCRWA fees has been updated to ensure the WHCRWA receives the payment timely, which update includes the online retrieval of the invoice and delivery of the checks to the WHCRWA via courier.

Director Goff inquired about a Non-Sufficient Funds ("NSF") fee in the amount of \$25.00 on the Central Bank account statement. Ms. Redden stated she would get additional information regarding the NSF fee.

Ms. Redden presented one additional check for approval, check no. 3222 payable to Phelps Dunbar, in the amount of \$1,313.00, related to the easement acquisition for the force main project.

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

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

Ms. Judkins presented and reviewed a Resolution Expressing Intent to Reimburse for the Sanitary Sewer Rehabilitation Project for Memorial Parkway Sections 3, 4 and 5, which reflects the District's intention to reimburse the general fund from future water, sewer, and drainage bond proceeds for eligible expenses in connection with the project. After discussion, Director Olsen moved to approve the Resolution and direct that the Resolution be filed appropriately in the District's official records. Director Brown seconded the motion, which carried by unanimous vote.

OPERATOR'S REPORT

Mr. Roberts distributed and reviewed the operator's report, a copy of which is attached. He stated the water accountability for the month is 92.7%.

Mr. Roberts stated that the air line to the hydro-tank is leaking at water plant no. and needs to be replaced in the amount of \$9,000.00. Discussion ensued.

Mr. Roberts discussed the lift station generator performance during Hurricane Beryl. He stated that MDS believes the generator still has additional useful life and that some of the issues were caused by the extremely long run times experienced during Beryl. Discussion ensued regarding potential replacement of the generator. Ms. Hallaway noted the long lead time for a generator and recommended beginning the process to evaluate replacement. After discussion, the Board requested an estimate of cost of replacement of generator at the lift station.

Mr. Roberts requested authorization to forward five delinquent accounts to collections, totaling \$6,698.77. Discussion ensued regarding the collections process as well as one delinquent account totaling \$6,323.97. The Board requested MDS provide additional information on this delinquent account due to the large balance as well as additional information regarding the collections process generally.

WATER PLANT NO. 2 WELL MOTOR REPAIR

Mr. Roberts discussed the well motor at water plant no. 2 and stated the motor has failed. He presented a proposal from C&C Water Services, LLC. with options for repair and replacement. He discussed the repair option in the amount of \$86,994.00. He then discussed the two replacement options, which include a 250-horsepower motor in the amount of \$99,983.00 or a 350-horsepower motor in the amount of \$117,610.00, and recommended replacement in the amount of \$99,983.00 for the 250-horsepower motor. Copies of the proposals are attached to the operator's report. Discussion ensued.

TELEVISIONING OF SANITARY SEWER LINE(S) NEAR KENLAKE DRIVE

Mr. Roberts confirmed that MDS has completed televising the sanitary sewer line near Kenlake Drive. Ms. Hallaway stated BGE is currently reviewing the televised tapes of the sanitary sewer line near Kenlake Drive and will coordinate with MDS to determine any recommendations that result from the analysis of the tapes.

ADOPT AMENDED RATE ORDER

Ms. Judkins stated that MDS recommends deferring consideration of any modification to the District's Rate Order resulting from the increased operator fees approved at last month's Board meeting until that time the District is notified of any Consumer Price Index increase to the fees for garbage services, which usually occurs at the October Board meeting, so that any changes to the District's Rate Order can occur at the same time.

After discussion, and as recommended by the operator, Director Olsen moved to: (1) approve the operator's report; (2) authorize MDS to forward the five delinquent accounts totaling \$6,698.77, to collections; (3) authorize MDS to replace the air line to the hydro-tank at water plant no. 4 in the amount of \$9,000.00; and (4) approve the well motor replacement at wastewater plant no. 2 in the amount of \$99,983.00 for the 250-horsepower motor. Director Brown seconded the motion, which passed by unanimous vote.

TERMINATION OF SERVICE

The Board conducted a hearing regarding termination of water and sewer services. Mr. Roberts presented to the Board a list of delinquent customers. He 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.

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, if their utility bills are not paid in accordance with the District's Rate Order, and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Olsen 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")

There was no discussion on this matter.

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 the construction contract is in the process of being routed.

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 the televising and cleaning project is complete and then requested and recommended approval of Pay Estimate No. 6 and Final in the amount of \$15,729.79 and acceptance of the project.

Ms. Hallaway stated that BGE will provide a proposal for rehabilitation for these sections of sanitary sewer lines based upon the condition of the pipe as indicated in the televising tapes.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway updated the Board on the status of bond application no. 9 and stated BGE's first draft of the application is complete and has been provided to other District consultants for review.

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.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to: (1) approve the engineer's report; and (2) approve Pay Estimate No. 6 and Final in the amount of \$15,729.79, payable to CS, and to accept the project. 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 distributed and reviewed a report on the West Memorial Municipal Utility District Sewage Treatment Plant, a copy of which is attached.

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

Ms. Lightsey discussed the security alarm and camera system issues at the administration building. She stated the battery backup is failing and needs to be replaced and possibly rewired. She distributed and reviewed two proposals from Team Wired, one proposal in the amount of \$529.69 to replace the backup battery and another proposal to rewire the security alarm and camera system in the amount of \$1,522.24, copies of which are attached. She also distributed a proposal to purchase the backup battery from Amazon in the amount of \$334.95, a copy of which is attached. Discussion ensued, including discussion of other potential options. After discussion, Director Olsen moved to authorize Director Cathcart to approve on behalf of the District such proposals that Director Cathcart determines to be appropriate or required to address the security alarm and camera system issues. Director Cox seconded the motion, which carried by unanimous vote.

Ms. Lightsey stated the fence behind the administration building shared with a resident is damaged and needs to be replaced. Discussion ensued regarding the responsible party to replace the fence. After discussion, the Board requested BGE obtain a proposal for surveying the District's property line.

Ms. Lightsey discussed the payment still due from a certain renter, a district resident, for repairs of damages caused to the administration building during the rental. She explained the renter's deposit check did not clear the bank, the District was charged a fee by the bank because the renter's check did not clear, and that the amount due from the renter is greater than the security deposit. Discussion ensued regarding the methods for charging the renter for the total amount due to the District, including MDS charging such amount due to the resident-renter's account. The Board concurred that the renter should be charged in the same manner as has done in the past when rental damages remain unpaid and requested that MDS and ABHR take action accordingly.

GREAT ROOM GLASS ROOF REPAIR

Ms. Lightsey discussed water damage to the great room wall following Hurricane Beryl. She distributed and reviewed a proposal from City Maintenance in the amount of \$8,825.00 to repair the great room wall, a copy of which is attached. Discussion ensued, including discussion of concerns with repairing the wall without potentially addressing the root cause of the damage.

The Board then discussed the potential repairs needed to the great room glass tiles near the roof as well as the potential replacement of the glass tiles with windows.

Ms. Lightsey also discussed great room upgrades to consider, including repainting, new flooring throughout the building, pressure washing, and painting the outside entrance covers. Discussion ensued, including discussion of the options for proceeding with potential repairs and upgrades to the administration building.

After discussion, the Board concurred to authorize Ms. Lightsey to request two proposals as discussed from general contractors for consideration at the next meeting.

AUTHORIZE PREPARATION OF QUARTERLY DISTRICT NEWSLETTER

There was no discussion on this matter.

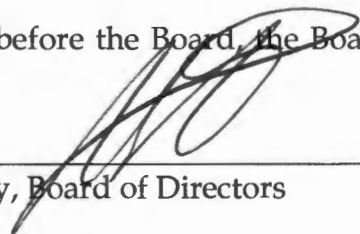
REVIEW ARBITRAGE REBATE REPORT FOR SERIES 2019 REFUNDING BONDS

Ms. Judkins reviewed the interim arbitrage rebate report for the Series 2019 Unlimited Tax Refunding 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")

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)



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