

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

August 23, 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 23rd day of August, 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, except Director Savage, thus constituting a quorum.

Also present were Virginia Goff and Warren Brown members of the public; Christie Leighton of Best Trash, LLC; David Smalling of Robert W. Baird & Co. Incorporated ("Baird"); 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 July 26, 2018, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the July 26, 2018, regular meeting. Director Brown 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 July, a copy of which is attached. He stated the report reflects that the District's 2017 taxes were 98.56% collected as of the end of July. After discussion, Director Brown moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cox 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.

DISCUSS 2018 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Smalling reviewed a tax rate analysis with the Board, a copy of which is attached. He recommended a total tax rate for 2018 of \$0.31 per \$100 of assessed valuation, consisting of \$0.12 for debt service and \$0.19 for maintenance and operations. After review and discussion, Director Cathcart moved to (1) set a proposed 2018 tax rate of \$0.31 per \$100 of assessed valuation, consisting of \$0.12 for debt service and \$0.19 for maintenance and operations; (2) set a public hearing on September 27, 2018 at 6:00 p.m. regarding the proposed tax rate; and (3) authorize the tax assessor/collector to publish a notice of the public hearing in the Katy Times. Director Cox seconded the motion, which passed by unanimous vote.

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.

Director Goff stated that Director Savage was listed on the bookkeeper's report to receive three per diems for attending three meetings in the month of July, however he only attended two meetings. Ms. Lutz stated the error has been corrected. Discussion ensued.

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 90.6% for July 2018. Discussion ensued regarding the lower than usual water accountability for the month.

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

Mr. Chapline reported there were three accounts totaling \$204.56, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Mr. Chapline stated the Sundance Valley Road sanitary sewer lines have been repaired, but the lines still need to be televised.

Ms. Leighton reported on trash and recycling services in the District and stated no issues have been reported.

After review and discussion, Director Cox moved to approve the operator's report and write off the three delinquent accounts totaling \$204.56 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 Brown seconded the motion which carried by unanimous vote.

#### CUSTOMER REQUESTS

Mr. Chapline discussed a request from a resident located at 22214 North Fork Drive to replace the washout under bricks near his driveway. Mr. Chapline stated a water leak repair was completed at this residence, however recent rain washed out the dirt under the bricks prior to MDS repairing the landscaping. Mr. Chapline recommended the repair be completed as requested by the resident.

After discussion, Director Cathcart moved to authorize MDS to repair the washout around the bricks at 22214 North Fork Drive, as recommended by the operator. Director Cox seconded the motion, which carried by unanimous vote.

#### APPROVE AMENDMENT TO SERVICE AGREEMENT WITH MUNICIPAL DISTRICT SERVICES, LLC

Mr. Chapline reviewed the Amendment to the Service Agreement with MDS. After discussion, Director Cathcart moved to approve the Amendment to the Service Agreement with MDS, subject to final approval by ABHR. Director Cox seconded the motion, which carried by unanimous vote.

#### ADOPT AMENDED RATE ORDER

The Board discussed amending the District's Rate Order to update inspection, reconnection, and returned check fees, effective August 23, 2018. After discussion, Director Cathcart moved to adopt the Amended Rate Order and direct that the Amended Rate Order 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 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 Cadden, Vincent,

Estrada, Molinas, and Smith requested an extension for payment of their delinquent accounts.

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 on August 29, 2018, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Cadden, Vincent, Estrada, Molinas, and Smith 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.

#### 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. 9 in the amount of \$123,996.00 and Pay Estimate No. 10 and Final in the amount of \$47,224.25, to Nunn Constructors, Inc., for the water plant no. 1 rehabilitation project. He then recommended that the Board accept the project.

#### 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 has prepared the plans and specifications and has submitted them to Harris County for review.

#### WATER MODELING STUDY

Mr. Baker stated that MDS has replaced the check valve at the elevated storage tank, which has increased the pressure in the distribution system. He stated the water modeling study is complete.

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

Director Goff discussed funding opportunities for the hike and bike trails west of Mason Road. He stated the Cimarron Homeowners Association suggested adding benches, water fountains, and planting trees along the trail as a funding opportunity for the District. Discussion ensued.

Following review and discussion, Director Cox moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 9 in the amount of \$123,996.00 and Pay Estimate No. 10 and Final in the amount of \$47,224.25, both payable to Nunn Constructors, Inc., and accept the project, as recommended. Director Brown seconded the motion, which carried by unanimous vote.

#### CAPITAL IMPROVEMENT PLAN

Mr. Baker distributed and reviewed an updated capital improvement plan ("CIP"), which includes a prioritized list of projects through 2029, the dates for all installed sewer lines in the District and the budgeted items for the West Memorial West Water Treatment Plant. Discussion ensued.

#### OTHER ENGINEERING MATTERS

Mr. Baker stated that a resident located at 827 Red Rock Canyon Road requested a site visit to inspect the pavement settlement along Red Rock Canyon Road. Mr. Baker discussed the sanitary sewer culverts on the north and south sides of Red Rock Canyon Road and recommended the storm sewer and the sanitary sewer lines be televised. After discussion, Director Cox moved to authorize MDS to televise the storm sewer and the sanitary sewer lines along Red Rock Canyon Road, as discussed. Director Brown seconded the motion, which carried by unanimous vote.

Mr. Baker stated the owner of the property located at 1001 South Mason has inquired about how to obtain additional water allocation for a new hand car wash facility.

#### 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. A copy of an email with plant improvement updates is attached. Discussion ensued.

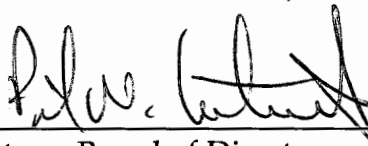
#### OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE AND DISTRICT WEBSITE

Ms. Johnson stated the urinal in the men's bathroom is not functional and needs a part replaced. She stated she has requested the part be ordered for the repair. The Board concurred to repair the urinal as soon as possible.

#### 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)



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