

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

August 24, 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 24th day of August, 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, thus constituting a quorum.

Also present were Terry Savage, member of the public; Virginia Goff and Trevor Gregori, residents of the District; Sharlu Melville of Memorial Parkway Elementary School; Lizandro Campos of Wheeler and Associates, Inc.; Rich Roberts and Jalene Palmer 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 27, 2017, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the July 27, 2017, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

REQUEST FROM MEMORIAL PARKWAY ELEMENTARY REGARDING FUNDING FOR SPARK PARK

Ms. Melville distributed and reviewed the updated SPARK Park plans. She stated the SPARK Park has raised approximately \$105,000 to date and would like to request \$25,000 from the District to help with funding. Discussion ensued regarding the District's budget and funds available for public recreational facilities. The Board deferred action on the request.

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

There was no discussion on this matter.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Campos 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 2016 taxes are 99.11% collected as of the end of July. After discussion, Director Cathcart moved to approve the tax assessor/collector's report and pay the bills. Director Cox seconded the motion, which carried by unanimous vote.

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

DISCUSS 2017 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE
NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board deferred discussion on this matter.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR
ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT

The Board next considered nominating a candidate to serve on the Board of Directors of the Harris County Appraisal District. After discussion, the Board concurred to defer action on this item.

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.

Director Goff inquired about the funds in the Central Bank account. Discussions ensued regarding the interest earned in the Central Bank and TexPool accounts.

After discussion, Director Cathcart moved to approve the bookkeeper's report, the checks presented for payment, and authorize the transfer of the funds in the Central Bank account to the TexPool account. Director Goff seconded the motion, which carried by unanimous vote.

Director Goff requested that McLennan confirm that Sam's Club has the correct mailing address for the District's credit card account.

OPERATOR'S REPORT

Ms. Palmer reviewed a written operations report, a copy of which is attached. She reported that the District's water accountability was 99.40% for July 2017.

Ms. Palmer reviewed additional repair and maintenance items performed during the month.

Director Savage reported on the potential encroachment at water plant no. 4 site. Discussion ensued regarding the options for relocating the fence and installing a fence near the District property line at water plant no. 4 site.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; and (2) authorize ABHR to contact the resident at 722 Park Knoll to propose to divide the cost evenly between the District and the resident for installation of a six-foot wooden fence on the property line totaling \$2,282.00. Director Cox seconded the motion which carried by unanimous vote.

CUSTOMER REQUESTS

Mr. Gregori addressed the Board regarding the water damage in his home during internal plumbing repairs when his home's water shut off valve did not function properly. He stated the plumber was not able to utility the District's shut off valve at the meter. The Board clarified that the shut off valve at the meter is District property, and it may only be used by the District's operator, MDS. The Board informed Mr. Gregori he could contact MDS in the future to request that the District shut off water service in the event of a leak on the resident's side of the meter. Mr. Gregori requested that the District assist with the costs of repairing the water damage caused by the internal plumbing repairs. After discussion, the Board concurred to deny the request.

Ms. Johnson stated that the resident at 811 Red Rock Canyon requested a credit on their water bill due to a leak on the resident's side of the meter. After discussion, the Board concurred to deny the resident's request.

Ms. Johnson stated that the resident at 1270 Rock Canyon had multiple water leaks on the resident's side of the meter and requested reimbursement for the greater than usual usage on two months' utility bills. Following discussion, the Board concurred to deny the resident's request.

TERMINATION OF SERVICE

The Board next conducted a hearing regarding termination of water and sewer services. Ms. Palmer 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 Shirley Wilson, Shannon Williams, Shawanda Dodson-Berry, and Lamont Pinkney 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 30, 2017, if their utility bills are not paid in accordance with the District's Rate Order, except for Shirley Wilson, Shannon Williams, Shawanda Dodson-Berry, and Lamont Pinkney 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 BGE has issued the notice to proceed for the booster pump replacement, the ground storage tank and hydro-tank at water plant no. 1.

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 recommended approval of Pay Estimate No. 13 and final in the amount of \$69,672.00 to Schier Construction. He then recommended that the Board accept the project.

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 Harris County's easement acquisition for the extension of the Mason Creek 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 and approve Final Pay Estimate No. 13 in the amount of \$69,672.00, to Schier Construction and accept the project, as recommended. Director Goff 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.

REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE BUILDING AND DISTRICT WEBSITE INCLUDING APPROVE AMENDMENT TO AMENDED AND RESTATED POLICIES AND PROCEDURES FOR THE RESERVATION AND USE OF DISTRICT MEETING FACILITIES

Director Savage discussed the possibility of installing a wheelchair ramp at the end of the sidewalk, on both sides of the street at the intersection of Cimarron and Hidden Canyon Road. After discussion, the Board concurred to authorize MDS to request proposals for the installation of wheelchair ramps at the intersection of Cimarron and Hidden Canyon Road.

Ms. Carner distributed and reviewed an amendment to the Amended and Restated Policies and Procedures for the Reservation and Use of District Meeting Facilities ("Agreement"). She stated amendment consists of revisions for time restrictions on Friday and Saturday for reservations to end at or before midnight and all other night reservations to end at or before 11:00 pm. After discussion, the Board concurred to approve the amendment to the Agreement for the time restriction for Friday and Saturday night reservations to end at midnight and all other nights to end at or before 11:00 pm.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Ms. Carner distributed and reviewed a flyer from the Authority regarding the Authority's proposed increase in surface water fees and pumpage of \$0.25 per 1,000 gallons, a copy of which is attached.

The Board discussed notifications to the residents regarding the Authority. After discussion, the Board concurred to authorize MDS to include an insert in the utility bills to provide information about the Authority and the fees it charges. The Board also requested a website update regarding same.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

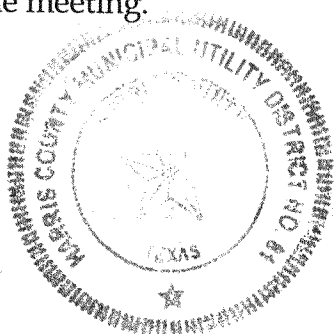
The Board convened in Executive Session at 6:54 pm to discuss employment matters. Ms. Carner and Ms. Cannon also were present.

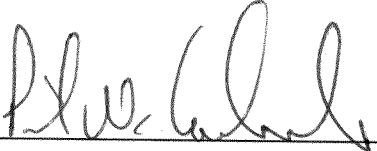
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board reconvened in open session at 7:20 pm. After discussion, Director Cox moved to approve nine holidays and 12 paid time off days per year for District employee Starr Johnson, as discussed. Director Goff 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.

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax assessor/collector's report	2
Bookkeeper's report.....	2
Operations report.....	3
Engineer's report.....	4
West Harris County Regional Water Authority Notice	6