

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

August 25, 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 25th day of August, 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; Gregg Nady of Cimarron Municipal Utility District ("Cimarron"); Ryan Fortner of Wheeler and Associates, Inc.; Bryan Chapline of Municipal District Services, L.L.C. ("MDS"); Shirley McLennan and Diane Doyle of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Daniel Sparks of Brown & Gay Engineers, Inc. ("BGE"); Howard Manson of Today's Integration; 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 July 28, 2016, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the July 28, 2016, regular meeting. Director Cox seconded the motion, which carried by unanimous vote.

REQUEST FOR FUNDING HARRIS COUNTY PRECINCT 3'S EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD, INCLUDING PROPOSED INTERLOCAL AGREEMENT AND EASEMENT ACQUISITION

Mr. Nady updated the Board on the hike and bike trail. He reviewed a memorandum from Harris County (the "County"), a copy of which is attached, and stated the County conducted a traffic study and does not recommend the installation of parking restrictions on Asheboro Drive and Pickford Drive at this time. He then reviewed a plan to acquire four outstanding easements in the District for the hike and

bike trail, a copy of which is attached. He reported \$11,533 is available from Cornerstones Municipal Utility District ("Cornerstones") to acquire the four outstanding easements in the District. Following review and discussion, the Board requested Mr. Nady contact the four property owners to attempt to acquire the four outstanding easements in the District. The Board requested ABHR prepare a letter on behalf of the District in support of the hike and bike trail project.

TAX ASSESESOR/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 2015 taxes are 97.45% collected as of the end of July. 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.

DISCUSS 2016 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board deferred this item to next month.

BOOKKEEPER'S REPORT

The Board received the bookkeeper's report, a copy of which is attached. Ms. Doyle 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 Cathcart moved to approve the bookkeeper's report and the checks presented for payment. Director Brown 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 91.1% for the period ending July 18, 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.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; and (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. Director Cox seconded the motion, which carried by unanimous vote.

CUSTOMER REQUESTS

Ms. Johnson reported that the resident at 22619 Indian Knoll complained that the District's landscaping crew was disruptive and rude to residents. Director Savage stated that he will follow up with Byron Bruess Trees regarding the complaint.

Ms. Johnson reported there are residents living at 1355 Westgreen and that the utility service to the residence has been terminated. The Board requested MDS check for an unauthorized water connection.

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 Amanda Cadden, Sonia Craig, Scott Spears, Robin Allen, and Monica Molinas.

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 Amanda Cadden, Sonia Craig, Scott Spears, Robin Allen, and Monica Molinas, 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.

APPROVE FIRST AMENDMENT TO EMERGENCY WATER INTERCONNECT AGREEMENT WITH CORNERSTONES MUNICIPAL UTILITY DISTRICT

Ms. Carner reviewed the First Amendment to the Emergency Water Interconnect Agreement with Cornerstones Municipal Utility District. After review and discussion, Director Cathcart moved to approve the First Amendment to Emergency Water Interconnect Agreement with Cornerstones, subject to final review. Director Cox seconded the motion, which carried by unanimous vote.

REVIEW PROPOSAL FOR INTERCONNECT REHABILITATION AND METER INSTALLATION WITH MEMORIAL MUNICIPAL UTILITY DISTRICT

The Board deferred this item.

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

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. 7 in the amount of \$30,420.00 payable to Schier Construction, Inc. ("Schier") for the ground storage tank and hydro tank rehabilitation at Water Plant No. 4. After discussion, Director Goff moved to approve Pay Estimate No. 7 to Schier, based on the engineer's recommendation. Director Cox 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 that the well screen patches are scheduled to be completed next week.

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 reviewed correspondence from Paul Hawkins of the Harris County Engineering Department, a copy of which is attached to the engineer's report, and stated no fence encroachments were found in the Cimarron Parkway right-of-way. Mr. Baker noted the District's 60 percent share of the estimated cost of the sidewalk is \$53,882.00. Following discussion, the Board requested ABHR contact Mr. Hawkins and request that the County prepare an Interlocal Agreement between the District and the County for the project.

ELECTRONIC SIGN AT WATER PLANT NO. 4

Mr. Baker reported regarding installation of a programmable LED sign at water plant no. 4. The Board requested that Mr. Baker confirm if the proposed sign location is not within the County right-of-way.

CAPITAL IMPROVEMENT PLAN

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

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

Director Cox reported on the West Memorial Sewage Treatment Plant (the "Plant") meeting. He reviewed the Plant operator's action items and long-term capital project plan, copies of which are attached.

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. She stated a District resident requested use of the administrative building every Friday night for a non-profit group. Following discussion, the Board concurred to discuss the administrative building rental fees next month.

The Board discussed the District's security camera equipment. Mr. Manson presented a proposal from Today's Integration for replacement of the District's security camera equipment, a copy of which is attached. Following review and discussion, the Board concurred to continue its review of proposals for security camera replacement and security camera equipment maintenance and repair next month.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

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

The Board discussed Council matters.

APPROVE INTERLOCAL AGREEMENT FOR WATER WISE PROGRAM

Ms. Carner presented and reviewed an Interlocal Agreement with the Harris-Galveston Subsidence District for the District's sponsorship of the Water Wise Program for the 2016-2017 school year. After review and discussion, Director Goff moved to approve the Interlocal Agreement and direct that the Agreement be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which carried by unanimous vote.

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 OFFER OR EMPLOYEE

The Board convened in Executive Session at 7:19 p.m. Ms. Carner and Ms. Panozzo also were present.

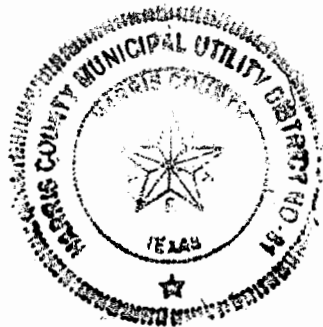
RECONVENE IN REGULAR SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFER OR EMPLOYEE

The Board reconvened in Regular Session at 7:40 p.m. No Board action was taken.

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


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Memorandum from Harris County.....	1
Plan to acquire easements.....	1
Tax assessor/collector's report	2
Bookkeeper's report.....	2
Operations report.....	2
Engineer's report.....	4
Plant operator's action items	5
Plant long-term capital project plan.....	5
Proposal from Today's Integration	5