

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

August 25, 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 25th day of August 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 except Director Goff, thus constituting a quorum.

Also attending the meeting were Kate Hallaway of BGE, Inc. ("BGE"); Isabelle Mata of Wheeler & Associates, Inc. ("Wheeler"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Starr Johnson, a District employee; and Katie Carner 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 28, 2022, regular meeting. After discussion, Director Brown moved to approve the minutes of the July 28, 2022, regular meeting. Director Olsen 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 July 2022. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2021 taxes were 98.15% collected as of the end of July.

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.

## APPROVE DEPOSITORY PLEDGE AGREEMENT WITH FROST BANK

Ms. Mata recommended the District close the existing tax account at Allegiance Bank and open a new tax account at Frost Bank, due to the increase in fees at Allegiance Bank. Ms. Carner reviewed a Depository Pledge Agreement with Frost Bank.

After review and discussion, Director Olsen moved to (1) approve closing of the tax account at Allegiance Bank and authorizing Wheeler to open a new account at Frost Bank; (2) approve a Depository Pledge Agreement with Frost Bank; and (3) 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.

Ms. Mata stated the transition likely would occur sometime in 2023 to avoid potential disruption of tax payments.

## REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

There was no discussion on this matter.

## OPERATOR'S REPORT INCLUDING UPDATE ON WATER PLANT NO. 2 GENERATOR REPAIRS AND WATER PLANT NO. 1 AND ADMINISTRATION BUILDING IRRIGATION REPAIRS

Mr. Chapline distributed and reviewed the operator's report, a copy of which is attached. He stated the water accountability for the month is 93.14%.

Mr. Chapline stated that the booster pump no. 3 pump and motor at water plant no. 1 have both failed. He stated the repair cost for the booster pump is \$9,945.00. He then stated that the repair cost for the booster pump motor is \$3,422.00 and the replacement cost is \$6,754.00. He recommended repair of both the booster pump and the motor.

Mr. Chapline reported there are two accounts totaling \$552.45, 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. 4 and stated the cost is \$5,300.00. He recommended the Board defer the irrigation repairs until the water plant no. 4 work is complete.

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) approve the booster pump no. 3 pump and motor repairs at water plant no. 1, in the amounts of \$9,945.00 and \$3,422.00, respectively; and (3) write off two delinquent accounts totaling \$552.45, 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. 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 Freer, Salazar and Avalos.

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 September 6, 2022, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Freer, Salazar and Avalos 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.

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

Ms. Hallaway stated that Texas Pride Utilities is the contractor for this project. Ms. Hallaway stated the project is complete and requested approval of Pay Estimate No. 5 and Final in the amount of \$111,390.46. She then recommended that the Board accept the project.

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

Ms. Hallaway updated the Board on the cleaning and televising of Memorial Parkway, Sections 3, 4, and 5 sanitary sewer lines. She stated BGE received one bid to televise the sanitary sewers for Sections 3, 4 and 5 and recommended that the board accept the low bid from Equix Integrity Southwest, Inc. ("Equix") in the amount of \$74,219.25. Ms. Hallaway recommended that the Board accept the bid from Equix, in the amount of \$74,219.25. The Board agreed that award of the contract to Equix will be most advantageous to the District and will result in the best and most economical completion of the District's facilities.

### 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 the project is near completion.

### 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 stated that Harris County has decided to accept the low bid from R Construction. She stated BGE does not object to the award of the contract to the low bidder. She stated Harris County has requested correspondence from the District noting the District does not object to the award of the contract to R Construction.

### 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 requested approval of Pay Estimate No. 4 in the amount of \$145,605.00.

## WATER PLANT NO. 2 GENERATOR REPLACEMENT

Ms. Hallaway stated CSE W- Industries, Inc. ("CSE"), is the contractor for the generator replacement project. She stated BGE issued the Notice to Proceed on August 15, 2022.

## UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway stated BGE is currently preparing bond application no. 9. She reviewed the cost summary, a copy of which is attached to the engineer's report.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to (1) approve the engineer's report; (2) approve Pay Estimate No. 5 and Final in the amount of \$111,390.46, for Memorial Parkway, Sections 1 and 2, Sanitary Sewer Line Rehabilitation and accept the project for District maintenance; (3) accept the bid submitted by Equix, in the amount of \$74,219.25 for the Memorial Parkway, Sections 3, 4 and 5 Sanitary Sewer Line Rehabilitation and that the contract be awarded to said contractor, subject to approval of the payment and performance bonds and review of the certificate of insurance and endorsements provided by the contractor; (4) authorize submittal of a no objection letter to Harris County regarding award of the Cimarron subdivision, Sections 2, 3, 4, and 5 drainage improvements project to R Construction; and (5) approve Pay Estimate No. 4 in the amount of \$145,605.00, payable to Blastco for the ground storage tank alternate fill line installation. Director Cox seconded the motion, which passed by unanimous vote.

## CINCO MUNICIPAL UTILITY DISTRICT NO. 1 EFFLUENT REUSE SYSTEM, INCLUDING LEGAL CONFLICTS WAIVER, THIRD AMENDMENT TO RECLAIMED WATER AGREEMENT, AND THIRD SUPPLEMENT TO SIDE LETTER AGREEMENT

Ms. Carner reminded the Board that ABHR also represents Cinco Municipal Utility District No. 1. She reviewed with the Board a legal conflicts waiver with respect to the preparation of the Third Amendment to the Reclaimed Water Agreement. After review and discussion, Director Olsen moved that the Board approve the legal conflicts waiver. Director Cox seconded the motion, and the motion passed unanimously.

Ms. Carner presented and reviewed the draft Third Amendment to the Reclaimed Water Agreement ("Third Amendment") and Third Supplement to Side Letter Agreement ("Third Supplement"). She stated all Plant Participants have reviewed the Third Amendment and comments have been received. After discussion, Director Olsen moved to approve the Third Amendment and Third Supplement, subject to final review, and direct that they be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed unanimously.

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

Ms. Johnson stated a resident located on Big Sky inadvertently paid her utility bill payment to the tax assessor and is requesting the late fee on her utility account to be waived. After discussion, the Board concurred to deny the request.

DISCUSS DISTRICT ADMINISTRATION BUILDING RENTAL POLICIES,  
INCLUDING CHECKLIST FOR AFTER MEETINGS

There was no discussion on this matter.

DISCUSS CLEANING SERVICES FOR DISTRICT ADMINISTRATION  
BUILDING, INCLUDING TASK ORDERS FROM 2DETAIL LLC

The Board discussed the current cleaning schedule for the Administration Building, including additional cleanings after meetings and events. Discussion ensued regarding the 2Detail contract for cleaning services. Director Brown reviewed recommendations for modifications to the cleaning schedule. The Board took no action.

PROPOSAL FOR DISTRICT ADMINISTRATION BUILDING FIRE SUPPRESSION  
AND MONITORING, SECURITY AND ACCESS

Ms. Johnson discussed the access control system at the Administration Building and noted Sonitrol is not responsive when contacted. She presented and reviewed a proposal from Fisk Electric to upgrade the current access control software to be able to provide monitoring and maintenance of the access control system and security system at the building in the amount of \$2,658.00. A copy of the Fisk proposal is attached. Discussion ensued the ongoing issues and costs with upgrading the buildings access control software. After discussion, the Board concurred to authorize MDS to obtain additional proposals for a new access control system for the District Administration building for consideration at next month's meeting.

AUTHORIZE PREPARATION OF QUARTERLY DISTRICT NEWSLETTER

The Board discussed the quarterly District newsletter and articles to include. After discussion, Director Olsen moved to authorize preparation of the quarterly District newsletter. Director Brown seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

There was no discussion on this matter.

BOOKKEEPER'S REPORT

The Board reviewed the bookkeeper's report, a copy of which is attached. Ms. Carner reviewed each District account and the bills to be paid, as well as a budget to actual comparison as shown in the report.

After review and discussion, Director Brown moved to approve the bookkeeper's report and the checks presented for payment. Director Olsen 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)



  
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Secretary, Board of Directors

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