

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

August 27, 2020

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 81 (the "District") met in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 27th day of August, 2020, and the roll was called of the members of the Board being present by telephone:

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 attending the teleconference were Stephen Eustis of Robert W. Baird & Co. Inc. ("Baird"); Ryan Fortner of Wheeler & Associates, Inc.; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Mary Lutz of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Kate Hallaway of BGE, Inc. ("BGE"); Doris Vogt, District employee; and Katie Carner and Kim Cannon-Griffin of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Carner reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/hcmud81.

PUBLIC COMMENT

Director Savage offered any members of the public attending the meeting by telephone the opportunity to make public comment. There being no members of the public requesting to make public comment, Director Savage moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the July 23, 2020, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the July

23, 2020, regular meeting. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed by unanimous vote, with all directors voting "yea."

TAX ASSESSOR/COLLECTOR REPORT

Mr. Fortner reviewed the tax assessor/collector's report for the month of July, 2020, a copy of which is attached. He stated the report reflects that the District's 2019 taxes were 97.21% 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. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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

DISCUSS WATER CODE TAX PROVISIONS AND 2020 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2020 TAX YEAR, SET PUBLIC HEARING AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

There was no discussion on this matter.

AUTHORIZE PREPARATION OF DISTRICT NEWSLETTER

The Board discussed the preparation of the quarterly District newsletter and content of the articles. After discussion, Board concurred to authorize preparation of the fourth quarter District newsletter.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2015 BONDS

Ms. Carner reviewed the Arbitrage Rebate Report for the Series 2015 Bonds. Ms. Carner stated that the District does not owe the Internal Revenue Service any payment for excess earnings on the Bonds.

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.

After discussion, Director Brown moved to approve the bookkeeper's report and the checks presented for payment. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

OPERATOR'S REPORT

Mr. Chapline reviewed a written operator's report, a copy of which is attached. He reported that the District's water accountability was 97% for July 2020.

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

Mr. Chapline stated the fire hydrant repairs have been completed. He stated the fire hydrants have not been painted in approximately four years and stated to repaint all District fire hydrants would cost approximately \$12,000.00. After discussion the Board concurred to authorize MDS to paint the District fire hydrants in need of new paint, as discussed.

CUSTOMER REQUESTS

There were no customer requests.

REPORT ON REVIEW AND PROPOSED ABANDONMENT OF INTERCONNECTS

There was no discussion on this matter.

After discussion, Director Cox moved to approve the operator's report. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Mr. Chapline presented to the Board a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Ms. Vogt stated that no customers requested an extension for payment of their delinquent account.

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 September 1, 2020, 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. The motion was seconded by Director Brown. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

ENGINEER'S REPORT

Mr. Baker presented the engineer's report, a copy of which is attached.

WATER PLANT NO. 4 NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT

Mr. Baker stated the contractor for the natural gas generator and MCC replacement at water plant no. 4 is McDonald Municipal and Industrial ("McDonald"). He stated the construction is complete.

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

Mr. Baker stated BGE has initiated design for this project.

WEST MEMORIAL MANHOLE SURVEY

Mr. Baker stated Chief Solutions is the contractor for this project. He stated the total project amount is \$21,680.00. Mr. Baker stated the survey is complete and the manholes will not require any rehabilitation.

REPORT ON HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS

Mr. Baker stated that BGE is currently under contract with Harris County Engineering for the design of the drainage improvements for Memorial Parkway and Cimarron Sections 2, 3, 4 and 5. He stated that Harris County has revised the capital costs of the Memorial Drainage project as an increase of \$2,288,428.40. Discussion ensued.

WATER PLANT NOS. 1, 2 AND 4 GROUND STORAGE TANK ALTERNATE FILL LINE INSTALLATION

Mr. Baker stated that BGE has initiated design for this project.

DISINFECTION SYSTEM UPGRADES AT WATER PLANT NOS. 1,2,3 AND 4

Mr. Baker discussed upgrading the disinfection systems at each of the four water plants. He stated BGE has initiated design. Mr. Baker stated that water plant no. 1 will remain on gas for disinfection due to limited space available around the plant.

CAPITAL IMPROVEMENT PLAN

Mr. Baker reviewed an updated capital improvement plan ("CIP"), a copy of which is attached to the engineer's report.

OTHER ENGINEERING MATTERS

Mr. Baker stated that BGE is coordinating with Johnson Controls, Inc. and prepared and sent an as-built sprinkler system map for the administration building for their analysis.

Ms. Carner discussed debris and broken fencing on the District's property located on and behind 21634 Park Green. Discussion ensued.

Following review and discussion, and based on the engineer's recommendation, Director Brown moved to (1) approve the engineer's report; (2) authorize BGE to request a meeting with Harris County to discuss possible cost sharing of the additional drainage improvements for Memorial Parkway with surrounding districts; and (3) authorize ABHR to write a letter to the property owner located at 21634 Park Green regarding repair of the fence and removal of debris on the District property. Director Goff seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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. Ms. Carner noted that the Regional Sewage Treatment Plant Agreement will expire in 2023. Discussion ensued regarding renewal of same.

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

SECURITY CAMERA EQUIPMENT AND MAINTENANCE

Ms. Vogt stated that Comcast has not yet completed the required wiring installation at the Cinco Regional Sewage Treatment Plant site due to the COVID-19 epidemic.

Ms. Vogt stated the security cameras at the administration building are scheduled to be repaired next week by NCS.

PROPOSALS FOR RECEPTION WINDOW REPLACEMENT

Director Savage discussed a proposal from City Maintenance for the replacement of the reception window at the administration building. He stated to replace the receptionist window with a temporary replacement window is \$540.00 and a permanent replacement window is \$980.00. After discussion, Director Cox moved to approve the proposal from City Maintenance in the amount of \$980.00 for the permanent replacement of the receptionist window.

Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Discussion ensued regarding the condition of the landscaping near the entrance of the District administration building. The Board concurred to wait until spring to address same.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Ms. Carner discussed a letter received from a Board member on Trail of The Lakes Municipal Utility District regarding the fees from the WHCRWA. Discussion ensued regarding the content for the District newsletter and the Board concurred to include information from the WHCRWA regarding their pumpage fees.

2020 DIRECTORS ELECTION

ADOPT RESOLUTION ADOPTING VOTING SYSTEM

Ms. Carner discussed procedures related to the 2020 Directors' Election. She presented and reviewed a Resolution Adopting Voting System (the "Resolution"). Following review and discussion, Director Brown moved to adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

AUTHORIZE POSTING OF EARLY VOTING ROSTER

Ms. Carner discussed that early voting rosters must be posted during the early voting period for the 2020 Directors' Election. Following review and discussion, Director Brown moved to authorize posting of the early voting rosters during the early voting period for the 2020 Directors' Election, as required, and to direct that the rosters be filed appropriately and retained in the District's official records. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

2020 BOND ELECTION

Ms. Carner then discussed the possible cancellation of the Bond election scheduled for November 3, 2020 due to the cost increase for the drainage improvements to Memorial Parkway. After discussion, the Board concurred to cancel the current Bond Election and potentially schedule it for May 2021.

Discussion ensued regarding scheduling a Special meeting on September 3rd for the formal cancellation of the Bond Election scheduled on November 3, 2020.

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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