

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

September 22, 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 22nd day of September 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, thus constituting a quorum.

Also attending the meeting were Tiffan Wong, a resident of the District; Brandon Johnson of 2Detail, LLC; Stephen Eustis of Robert W. Baird & Co. Inc. ("Baird"); Renee Butler of McLennan & Associates, LP; Kate Hallaway of BGE, Inc. ("BGE"); Isabelle Mata of Wheeler & Associates, Inc. ("Wheeler"); Rebecca Marcucci of Municipal District Services, L.L.C. ("MDS"); Doris Vogt and 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.

REQUEST FROM COMMUNITY ASSOCIATION REGARDING INSTALLATION OF SPLASH PAD

Ms. Wong introduced herself and stated she is a resident of Memorial Parkway and on behalf of the Memorial Parkway Community Association, would like to request financial support from the District for a splash pad amenity. The Board discussed the upcoming drainage projects in the District and funding for same. After discussion, the Board took no action on the request.

MINUTES

The Board considered approving the minutes of the August 25, 2022, regular meeting. After discussion, Director Brown moved to approve the minutes of the August 25, 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 August 2022. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2021 taxes were 98.17% collected as of the end of August.

After discussion, Director Cox 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.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Eustis presented and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2022 water, sewer, and drainage debt service tax rate of \$0.1625 per \$100 of assessed valuation. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Carner discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Goff moved to (1) set the public hearing date for October 27, 2022; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 27, 2022, to set the proposed 2022 total tax rate of \$0.275 per \$100 of assessed valuation, with \$0.1625 allocated for debt service on water, sewer, and drainage bonds, and \$0.1125 allocated for operations and maintenance. Director Olsen seconded the motion, which passed unanimously.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

There was no discussion on this matter.

BOOKKEEPER'S REPORT

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

After review and discussion, Director Olsen moved to approve the bookkeeper's report and the checks presented for payment. Director Cox seconded the motion, which passed by unanimous vote.

Director Goff left the meeting.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

Ms. Carner explained that the Texas Public Funds Investment Act requires the Board to annually review its Investment Policy and to authorize any appropriate amendments. After review and discussion, Director Olsen moved to adopt a Resolution Regarding Annual Review of Investment Policy setting forth the Board's determination that no changes are necessary to the Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Cox seconded the motion, and the motion passed unanimously.

REVIEW, REVISE, AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Carner explained that the Texas Public Funds Investment Act requires the Board to annually review its list of authorized depository institutions and qualified broker/dealers and authorize any appropriate changes. Ms. Carner noted that the District's bookkeeper submitted an updated list of same. Following review and discussion, Director Olsen moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, including the updated list of authorized depository institutions and qualified broker/dealers, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Cox seconded the motion, and the motion passed unanimously.

APPROVE QUARTERLY DISTRICT NEWSLETTER

The Board reviewed the draft quarterly District newsletter, a copy of which is attached. After discussion, Director Olsen moved to authorize distribution of the quarterly District newsletter, as revised. Director Brown seconded the motion, and the motion passed unanimously.

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

Ms. Marcucci distributed and reviewed the operator's report, a copy of which is attached. She stated the water accountability for the month is 92.7%.

Ms. Marcucci updated the Board on booster pump no. 3 pump and motor repair at water plant no. 1 and stated the repairs are ongoing.

Ms. Marcucci reported there are two accounts totaling \$130.68, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Ms. Marcucci stated the District's interconnect with Cimarron Municipal Utility District remains open as they continue to make repairs to their water plant.

Ms. Marcucci stated the irrigation repairs at water plant no. 1 and 3 are complete. Ms. Marcucci discussed the irrigation repairs needed at water plant no. 4 and stated the cost is \$5,300.00. She recommended the Board defer the irrigation repairs at water plant no. 4, until the repairs to the plant are complete.

After discussion, Director Olsen moved to (1) approve the operator's report; and (2) write off two delinquent accounts totaling \$130.68, 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 Brown seconded the motion, which passed by unanimous vote.

TERMINATION OF SERVICE

The Board conducted a hearing regarding termination of water and sewer services. Ms. Marcucci 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 Lenard, Alexander, Hennessey, Bass, Mayberry, Dodson-Berry, Hines, McCaffery, and Schilhab.

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 29, 2022, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Lenard, Alexander, Hennessey, Bass, Mayberry, Dodson-Berry, Hines, McCaffery, and Schilhab, 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 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 the contracts are currently being executed.

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, and BGE is in the process of initiating the survey.

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 complete. She presented and recommended approval of Pay Estimate No. 1 and Final in the amount of \$369,652.00 and acceptance of the project.

WATER WELL NO. 1 INVESTIGATION

Ms. Hallaway stated water well no. 1 is experiencing vibration. She stated when the weather is cooler and water usage diminishes, BGE will investigate the vibrations.

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. She stated the Interlocal Agreement for Memorial Parkway has been reviewed by all Participants, including Harris County Precinct 4 and Harris County, and is currently being finalized.

Ms. Hallaway stated that Harris County has awarded the contract to R. Contractors for the Cimarron Sections 2, 3, 4 and 5 drainage improvement

project. She stated the pre-construction meeting will be scheduled in late October and construction is anticipated to begin in December.

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”).

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.

Ms. Hallaway discussed the request for repair of the damaged fence adjacent to the Administration Building overflow parking lot. She reviewed a map and noted the fence is currently located between the District’s property and the adjacent resident’s property. She then discussed a proposal from Tough Fence for the fence repair in the total amount of \$1,600.00, 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. 1 and Final in the amount of \$369,652.00 for the water well no. 2 rehabilitation project and accept the project; and (3) approve the proposal from Tough Fence for fencing repair, with the District contributing \$800.00 toward the total cost of the repair. Director Brown seconded the motion, which passed 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.

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

Ms. Johnson stated the U.S. Postal Service is having issues with delivery of payments to MDS from residents. Discussion ensued regarding waiving late fees for those affected upon the resident providing the return label to MDS.

Ms. Marcucci and Ms. Johnson discussed a reported leak located on Apache Falls Drive. Ms. Marcucci stated MDS inspected the meter in June and no leak was identified. She stated that in August the resident reported higher than usual usage, and when MDS investigated again, a slow leak was found, which the resident subsequently repaired. Discussion ensued and the Board took no action.

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

The Board discussed possible revisions to the administration building rental policy for the increase in cleaning fees.

DISCUSS CLEANING SERVICES FOR DISTRICT ADMINISTRATION BUILDING, INCLUDING PROPOSALS AND RELATED SERVICE AGREEMENTS

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 and current fees for same. Mr. Johnson discussed the revised proposal reflecting increased costs for partial, standard and party cleanings, a copy of which is attached. Discussion ensued regarding the regular cleaning needs for the building. After discussion, the Board requested that Mr. Johnson bring a revised proposal to the next Board meeting.

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 stated separate services are currently provided for fire monitoring and the access control system.

She reviewed a proposal from Fisk Electric to provide maintenance of the access control system and security system, as needed, for the administration building. A copy of the Fisk Electric proposal is attached. Discussion ensued regarding the ongoing issues and costs with upgrading the buildings access control software and alternate solutions for access, including keypad entry and traditional key entry options. After discussion the Board requested additional information on the keypad entry option for consideration at the next Board meeting.

The Board inquired about the Harris County security and safety requirements for the administration building. Ms. Marcucci stated MDS will contact the Harris County Fire Marshal for the requirements and report back to

the Board. She noted MDS will also provide a proposal for a new access control system for the next Board meeting for consideration.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Ms. Carner distributed and reviewed a notice from the Authority regarding the proposed groundwater Reduction Plan fee increase not to exceed \$0.25 per 1,000 gallons of groundwater and surface Water pumped. She noted that the current pumpage fee for groundwater per 1,000 gallons is \$3.70 and the surface water fee is \$4.10 per 1,000 gallons. A copy of the letter is attached.

CONVENE EXECUTIVE SESSION PURSUANT TO CHAPTER 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 7:31 p.m. Ms. Carner and Ms. Cannon were also in attendance.

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

The Board reconvened in regular session at 7:39 p.m. The Board did not take action.

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

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