

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

September 23, 2021

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 23rd day of September, 2021, and the roll was called of the members of the Board:

George Goff	President
Patrick Cathcart	Vice President
Bruce Cox	Secretary
Donna Brown	Treasurer
Michael Olsen	Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also attending the meeting were Rene Butler of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Kate Hallaway of BGE, Inc. ("BGE"); Cathy Wheeler and Isabelle Mata of Wheeler & Associates, Inc. ("Wheeler"); Charlie Chapline and Sylvia King of Municipal District Services, L.L.C. ("MDS"); Ryan Fortner of Revenue Management Services ("RMS"); Starr Johnson and Doris Vogt, District employees; 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 August 26, 2021, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the August 26, 2021 meeting. Director Cox seconded the motion, which passed by a vote of 4-0, with Director Olsen absent from the meeting.

TAX ASSESSOR/COLLECTOR REPORT

Director Olsen entered the meeting.

Ms. Mata reviewed the tax assessor/collector's report for the month of August 2021, a copy of which is attached. She stated the report reflects that the District's 2020 taxes were 97.73% collected as of the end of August. 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, which passed by unanimous vote.

Ms. Wheeler distributed the Business Sales Tax Report, a copy of which is attached.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Carner stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2021 total tax rate of \$0.295.

The Board opened the public hearing. There being no comments from the public, the Board closed the public hearing.

Ms. Carner presented an Order Levying Taxes reflecting the proposed 2021 tax rate. She then presented an Amendment to Information Form reflecting the tax rate and stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Harris County.

After review and discussion, Director Cathcart moved to (1) adopt the Order Levying Taxes reflecting a total 2021 tax rate of \$0.295 per \$100 of assessed valuation, comprised of \$0.105 to pay debt service on water, sewer, and drainage bonds and \$0.19 for operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Olsen seconded the motion, and the motion passed unanimously.

REVIEW PROPOSAL FOR SALES TAX REVENUE SERVICES, AUTHORIZE TERMINATION OF CONTRACT WITH SKI, INC. AND AUTHORIZE ENTERING INTO CONTRACT FOR SALES TAX REVENUE SERVICES, IF APPROPRIATE

The Board reviewed and discussed the proposals from Revenue Management Services and Sales Revenue Inc. for sales tax revenue services. Following review and discussion, Director Brown motioned to (1) approve the proposal with RMS, authorize execution of a related service agreement with RMS and direct that the proposal be filed and retained in the District's official records; and (2) authorize ABHR to submit 30 days' notice of termination of contract to Sales Revenue, Inc. Director Cathcart seconded the motion, which passed by a unanimous vote.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTORS ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT ("HCAD")

Ms. Carner stated the District may nominate a candidate for the Board of Directors election for HCAD. After discussion, Director Olsen moved to adopt the Resolution Nominating Candidate for the Board of Directors Election for HCAD nominating Jonathan Cowen for the position up for election, and direct that the Resolution be filed and retained in the District's official records.

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.

Ms. Butler requested approval of one additional check, check no. 17262 payable to West Memorial in the amount of \$29,373.75 for sewer connection fees.

The Board discussed two checks, check no. 17203 in the amount of \$760.00, which was already paid from the Cinco Plant account, and check no. 17201 in the amount of \$115.70, which was an invoice for another District. Discussion ensued regarding the checks, and Ms. Butler stated the checks would be voided.

After review and discussion, Director Olsen moved to approve the bookkeeper's report, the checks presented for payment, including the additional check, and to authorize voiding of the two checks, as discussed. Director Brown seconded the motion, which passed by unanimous vote.

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 presented. Director Cathcart seconded the motion, and the motion passed unanimously.

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 Cox 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 Olsen 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 Cox 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 Olaen seconded the motion, and the motion passed unanimously.

OPERATOR'S REPORT

Mr. Chapline distributed and reviewed the operator's report, a copy of which is attached.

Mr. Chapline discussed the water accountability for the month, at 78%, and stated an interconnect with Memorial Municipal Utility District ("Memorial") water plant was open and has since been closed. He stated the water used will be billed to Memorial. Mr. Chapline discussed the valve survey inspection for all isolation valves and secondary valves in the District. He stated the exercising of the valves will begin next week.

Mr. Chapline reported there are ten accounts totaling \$2,212.54, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

CUSTOMER CONFIDENTIALITY

Ms. Carner reviewed a memorandum with the Board regarding legislative changes to Section 182.052, Utilities Code, relating to confidentiality of certain personal and billing information of utility customers, a copy of which is attached. She said such information must be kept confidential, with certain exceptions, unless the customer requests disclosure. Ms. Carner discussed the requirement for the District to provide notice of the customer's right to request disclosure, along with a request form, by including the notice and form with the utility bills sent to customers or by posting the notice and form on the District's website. Mr. Chapline confirmed that MDS received the required notice and form language from ABHR for inclusion on the utility bills. After discussion, the Board concurred to post the notice and form on the District's utility bills.

PROPOSAL FOR REPLACEMENT OR REPAIR OF ADMINISTRATION BUILDING SIDEWALKS

Mr. Chapline stated that MDS will solicit a proposal for the repair of the sidewalks and landscaping for review at next month's meeting.

After discussion, Director Olsen moved to (1) approve the operator's report; and (2) write off ten delinquent accounts totaling \$2,212.54, which are deemed not to be collectible, 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 Cox 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. Ms. Johnson stated that customers Adams, Thomas, Olson, Smith, Taylor, and Estrada requested an extension for payment of their delinquent accounts.

Following review and discussion, Director Olsen 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 30, 2021, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Adams, Thomas, Olson, Smith, Taylor, and Estrada, 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 by unanimous vote.

ENGINEER'S REPORT

Mr. Baker noted he is retiring from attendance at the District meetings as the BGE representative but will still be employed at BGE. He stated Kate Hallaway will be the District's representative going forward. The Board thanked Mr Baker for his years of services to the District.

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

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

Mr. Baker stated that Texas Pride Utilities is the contractor for this project. He stated the total amount of the project is \$705,664.10. He stated construction is in process.

PARK YORK FORCE MAIN REPLACEMENT

Mr. Baker stated BGE is currently developing plans and specifications for the relocation of the force main to the east side of T-103.

HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS, INCLUDING ADDITIONAL DETENTION/MITIGATION, AND JOINT PARTICIPATION INTERLOCAL AGREEMENT

Mr. Baker 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. He stated design of both projects is underway.

Mr. Baker stated that Harris County has redefined the Memorial Parkway project. He stated the project will include additional detention/mitigation volume. Mr. Baker noted that Cimarron Municipal Utility District has elected not to participate financially. He stated their non-participation should not affect the scope of the District's portion of the project.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Mr. Baker stated BGE is currently preparing the plans and specifications for the water plant no. 2 generator replacement project.

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

Mr. Baker stated that W. W. Payton Inc. is the contractor for this project. He stated the contracts are in process.

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

Mr. Baker stated the contractor for the water plant nos. 1, 2 and 4 ground storage tank fill line installation is Blastco Texas, Inc.

CAPITAL IMPROVEMENT PLAN

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

DISCUSS POTENTIAL POCKET PARK NEAR MASON CREEK HIKE AND BIKE TRAIL

There was no discussion on this matter.

UPDATE ON BOND APPLICATION NO. 9

Mr. Baker stated BGE is currently preparing bond application no. 9.

UPDATE ON PREPARATION OF EMERGENCY RESPONSE PLAN

Mr. Baker stated the BGE is currently preparing the Emergency Response Plan.

Following review and discussion, and based on the engineer's recommendation, Director Cox moved to approve the engineer's report. Director Olsen 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 updated the Board on the West Memorial Plant site and reported on the West Memorial Sewage Treatment Plant meeting. Discussion ensued regarding the terms of the West Memorial agreement and routing of wastewater flows. The Board requested that BGE investigate the possibility of rerouting certain wastewater flows.

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

Ms. Johnson stated that additional lighting is needed behind the District administration building for better visibility at night. She stated there are some lights in the parking lot that also need replacement. Ms. Johnson distributed and reviewed two proposals from City Maintenance, one for additional light installation behind the District administration building in the amount of \$1,775.00 and another proposal for replacement of the burnt-out lights in the parking lot with LED bulbs and new fixtures in the amount of \$7,386.00. Copies of the proposals are attached. After discussion, Director Olsen moved to approve the two proposals from City Maintenance in the amount of \$1,775.00 and \$7,386.00, as discussed. Director Cathcart seconded the motion, which passed by unanimous vote.

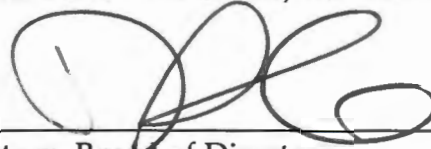
The Board discussed resuming renting of the District administration building for events and meetings. After discussion, the Board concurred to authorize the District administration building to be rented once a week, with an additional cleaning fee after each use. Ms. Carner stated she would prepare supplemental rental guidelines to be provided to Ms. Johnson and posted to the District's website.

Ms. Johnson stated that a non-resident of the District has requested to use the administration building parking lot. After discussion, the Board concurred to deny the request.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

Ms. Carner distributed and reviewed a notice from the WHCRWA regarding the proposed Groundwater Reduction Plan fee increase from \$3.45 to \$3.70 per 1,000 gallons of groundwater pumped and the Surface Water Fee increase from \$3.85 to \$4.10 per 1,000 gallons of water delivered by the WHCRWA effective January 1, 2022, a copy of which is attached.

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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