

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

September 26, 2024

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 26th day of September, 2024, 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 Trevor Konopka of Robert W. Baird & Co. Inc. (“Baird”); Renee Bulter of McLennan & Associates, LP; Aaron Orozco of BGE, Inc. (“BGE”); Isabel Mata of Wheeler & Associates, Inc. (“Wheeler”); Charlie Chapline of Municipal District Services, LLC (“MDS”); Stacy Lightsey, District employee; and Teshia Judkins and Kim Cannon of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

Director Cathcart reminded the Board that the District is hosting a shred event on Saturday, October 12th from 9:00 a.m. to noon in the District administration building parking lot.

MINUTES

The Board considered approving the minutes of the August 22, 2024, regular meeting. After discussion, Director Olsen moved to approve the minutes of the August 22, 2024, regular meeting. Director Cox seconded the motion, which passed by unanimous vote.

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

ADMINISTRATION BUILDING UPGRADES AND REPAIRS, INCLUDING GREAT ROOM GLASS TILE REPAIRS

Ms. Lightsey presented proposals received from two different companies for repairs to the great room. She presented two proposals from City Maintenance in the amount of \$8,825.00 to repair and repaint the damaged wall and in the amount of \$17,650.00 to repair the damaged wall and repaint the entire great room. Copies of these proposals are attached. She also presented two proposals from MJ Custom Remodeling in the amount of \$6,500.00 to repair and repaint the damaged wall and in the amount of \$10,300.00 to repair the damaged wall and repaint the entire great room. Copies of these proposals are attached.

After discussion, the Board concurred to defer making a determination regarding these proposals pending the receipt of additional proposals to repair or replace the sealant between the glass tiles near the roof.

SECURITY SYSTEM REPAIRS

Ms. Lightsey stated the security system upgrades are complete.

RENTAL OF THE ADMINISTRATIVE OFFICE

Discussed ensued regarding the payment still due from a certain renter, a district resident, for repairs of damages caused to the administration building during the rental. Mr. Chapline confirmed that the total amount due for the damages, as well as the charge paid by the district because the renter's deposit check did not clear the bank, was charged to the resident renter's account consistent with previous procedures.

APPROVE QUARTERLY DISTRICT NEWSLETTER

Ms. Judkins discussed the topics included in the fourth quarter draft newsletter. After review, Director Olsen moved to approve the fourth quarter newsletter and authorize distribution of same. Director Cox seconded the motion, which carried by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

Ms. Mata reviewed the tax assessor/collector's report for the month of August 2024. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2023 taxes were 97.81% collected as of the end of August.

Ms. Mata next reviewed a report from the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue"), a copy of which is attached to the tax report.

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.

DISCUSS 2024 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Konopka presented and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2024 water, sewer, and drainage debt service tax rate of \$0.05 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. Mr. Konopka discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Olsen moved to: (1) set the public hearing date for October 24, 2024, at 6:00 p.m.; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 24, 2024, to set the proposed 2024 total tax rate of \$0.25 per \$100 of assessed valuation, with \$0.05 allocated for debt service on water, sewer, and drainage bonds, and \$0.20 allocated for operations and maintenance. Director Cox 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 Brown moved to approve the bookkeeper's report, and the checks presented for payment. Director Olsen seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

There was no discussion on this matter.

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

Ms. Judkins 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 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. Judkins 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. Judkins noted that the District's bookkeeper submitted an updated list of same, and Ms. Butler confirmed such list includes all banks where the District maintains deposits or investments. 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.

OPERATOR'S REPORT

Mr. Chapline distributed and reviewed the operator's report, a copy of which is attached. He stated the water accountability for the month is 93.8%.

Mr. Chapline requested authorization to forward seven delinquent accounts to collections, totaling \$703.83. Mr. Chapline discussed an account on the delinquent list from last month's meeting totaling \$6,323.97. He stated the delinquent charges are back charges to Comcast for damages to District property while boring for fiberoptic cables. Discussion ensued, including discussion regarding the collections process.

TELEVISIONING OF SANITARY SEWER LINE(S) NEAR KENLAKE DRIVE

Mr. Chapline confirmed that MDS has completed televising of the sanitary sewer line near Kenlake Drive. He stated BGE is currently reviewing the televised tapes and will coordinate with MDS to determine any recommendations that result from the analysis of the tapes.

Discussion ensued regarding the potential residences served by the televised sanitary sewer line near Kenlake Drive. Mr. Chapline indicated information currently suggests such line serves properties within the District and within Cornerstones Municipal Utility District ("Cornerstones MUD"). The Board further discussed an agreement between the District and Cornerstones MUD concerning the televised line.

Ms. Judkins stated the District received a request for reimbursement from a resident of a home on Kenlake Drive believed to be within Cornerstones MUD for the costs to repair asserted damages to the home from a sewer backup that occurred during Hurricane Beryl. The Board reviewed the request and concurred to discuss such request in executive session later in the meeting.

After discussion, and as recommended by the operator, Director Olsen moved to: (1) approve the operator's report; and (2) authorize MDS to forward the seven delinquent accounts totaling \$703.83 to collections. 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. He 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.

Following review and discussion, Director Cox 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, 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

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

CAPITAL IMPROVEMENT PLAN ("CIP")

There was no discussion on this matter.

PARK YORK FORCE MAIN REPLACEMENT, INCLUDING EASEMENT ACQUISITION

Mr. Orozco stated that design for this project is ongoing and coordination with the consultants assisting the District in acquiring the required easements is in process.

WATER PLANT NO. 3 ELEVATED STORAGE TANK REHABILITATION

Mr. Orozco discussed the Water Plant No.3 elevated storage tank rehabilitation project and stated BGE has completed the survey for the project and plan production has started.

HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS, INCLUDING ADDITIONAL DETENTION/MITIGATION

Mr. Orozco stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway. He stated that Harris County is coordinating with the US Army Corps of Engineers for their acceptance of the proposed design.

SANITARY SEWER REHABILITATION FOR MEMORIAL PARKWAY, SECTIONS 3, 4, AND 5

Mr. Orozco stated the Notice to Proceed for the sanitary sewer rehabilitation for Memorial Parkway, Sections 3 - 5 project was issued on October 7, 2024 for this project.

CIMARRON, SECTIONS 1, 2, AND 3 SANITARY SEWER LINE REHABILITATION AND MEMORIAL PARKWAY, SECTIONS 6, 7, AND 8 SANITARY SEWER LINE REHABILITATION

Mr. Orozco stated that BGE will provide a proposal for rehabilitation for Cimmaron, Sections 1 - 3 and Memorial Parkway, Sections 6 - 8 of sanitary sewer lines based upon the condition of the pipe as indicated in the televising tapes.

UPDATE ON BOND APPLICATION NO. 9

Mr. Orozco updated the Board on the status of bond application no. 9 and stated BGE's first draft of the application is complete and has been provided to District consultants for review.

PROPOSED STORM SEWER INLET MARKER SCOUT PROJECT, INCLUDING INLET MAP, INLET MARKERS AND LETTER AGREEMENT(S) WITH SCOUT PARTICIPANTS

Ms. Judkins discussed the storm sewer inlet marker Eagle Scout project and stated the required paperwork has been provided to Mr. Powers for the project. Discussion ensued regarding the proposed project, including discussion of the importance of safety during the project.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to approve the engineer's report. Director Brown seconded the motion, which passed by unanimous vote.

REPORT ON WEST MEMORIAL MUNICIPAL UTILITY DISTRICT SEWAGE TREATMENT PLANT MEETING AND PROPOSED PLANT IMPROVEMENTS

Director Cox reported on the West Memorial Municipal Utility District Sewage Treatment Plant, noting changes to the format of the plant meeting and the distribution of the plant meeting report.

OPERATION, REPAIR, MAINTENANCE AND RENTAL OF ADMINISTRATIVE OFFICE AND DISTRICT WEBSITE, COMMUNICATION, AND EMPLOYMENT MATTERS (CONTINUED)

FENCE REPAIRS

Ms. Judkins discussed the damaged fence behind the District administration building that is in the backyard of a neighboring home. She stated the District's engineer did not recommend conducting a survey for ownership. Discussion ensued, including discussion regarding the party responsible to replace the fence. Following discussion, the Board concurred to authorize Director Cathcart to speak to the homeowner regarding replacement of the fence and sharing the cost equally.

DISCUSS THE ENERGY MANAGEMENT AGREEMENT AND THE MICROGRID PROGRAM, AND AUTHORIZE APPROPRIATE ACTION

The Board reviewed a presentation from Acclaim Energy regarding the Microgrid program participation. After discussion the Board concurred to not participate in the Microgrid program. A copy of the presentation is attached.

The Board also reviewed a draft Energy Management Agreement proposed by Acclaim Energy. After discussion, the Board concurred to request revisions to the Agreement and discuss the revised draft Agreement at the October Board meeting.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY (THE "WHCRWA")

Ms. Judkins distributed and reviewed a notice from the WHCRWA indicating the WHCRWA will not increase its Groundwater Reduction Plan Fee or its Surface Water Fee in January 2025 and will continue to evaluate factors impacting the rates in the future. A copy of the notice is attached.

CONVENE IN EXECUTIVE SESSION TO CONSULT WITH ATTORNEY, PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board convened in executive session at 6:49 p.m. pursuant to Section 551.071 of the Texas Government Code. Ms. Judkins stated that the presence of Mr. Orozco and Mr. Chapline in this executive session was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board concurred to have them present. Present during the closed meeting were the Board and Ms. Judkins, Ms. Cannon, Mr. Orozco, and Mr. Chapline.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 7:16 p.m. After discussion, Director Olsen moved to: (1) deny the request for reimbursement from a resident of a home on Kenlake Drive believed to be within Cornerstones MUD for the costs to repair asserted damages to the home from a sewer backup that occurred during Hurricane Beryl; and (2) authorize MDS to try to confirm through dye tests or other appropriate means which properties are served by the televised sanitary sewer line near Kenlake Drive. Director Brown seconded the motion, which carried by unanimous vote.

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

/s/ Michael Olsen
Secretary, Board of Directors

(SEAL)



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