

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

September 28, 2017

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 28th day of September, 2017, and the roll was called of the duly constituted members of the Board of Directors, to-wit:

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 present were Terry Savage, member of the public; Virginia Goff, Linda Wiechkoski and Jeffrey Buckanay, residents of the District; Ray Arce of Wheeler and Associates, Inc.; Adam Cohen of Robert W. Baird & Co. Incorporated ("Baird"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Jorge Diaz of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Daniel Sparks of BGE, Inc. ("BGE"); Starr Johnson, District employee; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the August 24, 2017, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the August 24, 2017, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

REQUEST FROM MEMORIAL PARKWAY ELEMENTARY REGARDING FUNDING FOR SPARK PARK

There was no discussion on this matter.

REQUEST FROM MEMORIAL PARKWAY COMMUNITY ASSOCIATION REGARDING DEVELOPMENT OF PLAYGROUND AND OTHER RECREATIONAL FACILITIES ADJACENT TO HARRIS COUNTY HIKE AND BIKE TRAIL

There was no discussion on this matter.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Arce reviewed the tax assessor/collector's report for the month of August, a copy of which is attached. He stated the report reflects that the District's 2016 taxes are 98.37% collected as of the end of August. After discussion, Director Cox moved to approve the tax assessor/collector's report and pay the bills. Director Brown seconded the motion, which carried by unanimous vote.

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

DISCUSS 2017 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Cohen reviewed a tax rate analysis with the Board, a copy of which is attached. He recommended a total tax rate for 2017 of \$0.33 per \$100 of assessed valuation, consisting of \$0.13 for debt service and \$0.20 for maintenance and operations. Mr. Cohen also recommended that the Board authorize a one-time \$60,000 transfer from the District's general fund to its debt service fund to account for higher than usual tax collection costs. He stated the cost would be included in Baird's model going forward. After review and discussion, Director Cathcart moved to (1) set a proposed 2017 tax rate of \$0.33 per \$100 of assessed valuation, consisting of \$0.13 for debt service and \$0.20 for maintenance and operations, including a one-time \$60,000 transfer from the District's general fund to its debt service fund; (2) set a public hearing on October 26, 2017 at 6:00 p.m.; and (3) authorize the tax assessor/collector to publish a notice of the public hearing in the Katy Times. Director Brown seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTOR ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT

The Board next considered nominating a candidate to serve on the Board of Directors of the Harris County Appraisal District. After discussion, the Board concurred to not take action.

BOOKKEEPER'S REPORT

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

Mr. Diaz stated the funds have been transferred from Central Bank to TexPool as requested and approved at the last Board meeting. Discussion ensued regarding options for investing in Central Bank's CDs and Texas Class.

After discussion, Director Cathcart moved to approve the bookkeeper's report and the checks presented for payment, including handwritten check no. 13987. Director Brown seconded the motion, which carried by unanimous vote.

OPERATOR'S REPORT

Mr. Chapline reviewed a written operations report, a copy of which is attached. He reported that the District's water accountability was 97.40% for August 2017.

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

Mr. Chapline reported there were 16 accounts totaling \$3,199.55 deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Mr. Chapline stated the interconnect with Nottingham Municipal Utility District is still being utilized.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; and (2) write off the 16 delinquent accounts totaling \$3,199.55 that are deemed not to be collectible, submit same to a collection agency, and direct that the uncollectible account list be filed appropriately and retained in the District's official records. Director Cox seconded the motion which carried by unanimous vote.

CUSTOMER REQUESTS

Mr. Buckanay presented and discussed his most recent water bill. He stated that his August water usage is reflecting unexplained high usage that is much higher than other months out of the year. Discussion ensued regarding Mr. Buckanay's historical water usage. After discussion, the Board concurred to replace Mr. Buckanay's water meter.

Ms. Wiechkoski addressed the Board with her concerns regarding residential structure flooding. She stated her home, located at 1078 Apache Falls, flooded during Hurricane Harvey for the first time in approximately 40 years. Discussion ensued regarding the sanitary sewer system and the storm sewer system. The Board directed Ms. Wiechkoski to contact the Harris County Flood Control District and Harris County, Precinct 3, with any questions regarding storm sewer system and drainage concerns.

TERMINATION OF SERVICE

Mr. Chapline recommended that, due to the impacts of Hurricane Harvey, including difficulties receiving and processing payments during the storm, the Board defer terminations of utility service to next month. After review and discussion, the Board concurred to defer termination of utility service for delinquent customers until the next Board meeting due to the impact of Hurricane Harvey in the District.

HURRICANE HARVEY MATTERS

Discussion ensued regarding residential structure flooding of approximately 100 homes in the District. Mr. Chapline stated the CenterPoint transformer near the lift station shorted, which caused the lift station generator control panel and fuses to fail. Mr. Chapline stated the generator is now working as designed. The Board requested additional information regarding the generator failure, and directed Mr. Baker to look at options for installing surge protection.

ENGINEER'S REPORT

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

Following review and discussion, Director Cathcart moved to approve the engineer's report. Director Cox seconded the motion, which carried by unanimous vote.

GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 1

Mr. Baker stated BGE has issued the notice to proceed for the booster pump replacement, the ground storage tank and hydro-tank at water plant no. 1.

TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

The Board deferred discussion regarding the rehabilitation of the sanitary sewer system in Cimarron Subdivision, Sections 1 and 2.

WATER MODELING STUDY

Mr. Baker reported that BGE has resumed the water modeling study since water plant no. 4 became operational and has completed the calibration testing. He reported that the testing concluded there is a potential operating issue at water plant no. 3, and BGE and MDS are investigating the issue.

HARRIS COUNTY PRECINCT 3 EXTENSION OF THE HIKE AND BIKE TRAIL WEST OF MASON ROAD

Ms. Carner updated the Board on Harris County's easement acquisition for the extension of the Mason Creek hike and bike trail. Discussion ensued.

CAPITAL IMPROVEMENT PLAN

Mr. Baker reviewed an updated Capital Improvement Plan, a copy of which is included in the engineer's report.

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 meeting. Discussion ensued.

REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE
OFFICE BUILDING

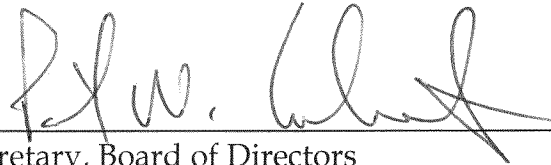
Ms. Johnson stated that the key card magnetic scanner at the administrative building is not functioning, and she has contacted NCS for the repair.

Director Savage stated the pavement near the drain in the parking lot of the administrative building is cracking and needs repair. He requested proposals for the next meeting.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

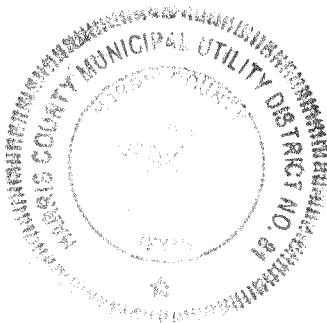
Ms. Carner presented and reviewed a flyer from the Authority inviting the Board members to attend the Authority's Annual Town Hall Meeting on Thursday October 26, 2017, at 6:00 p.m.

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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