

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

September 28, 2023

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, 2023, 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 Trevor Konopka of Robert W. Baird & Co. Inc. (“Baird”), Renee Butler of McLennan & Associates, LP; Kate Hallaway of BGE, Inc. (“BGE”); Isabel Mata of Wheeler & Associates, Inc. (“Wheeler”); Charlie Chapline of Municipal District Services, LLC (“MDS”); Stacy Lightsey 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 24, 2023, regular meeting. After discussion, Director Brown moved to approve the minutes of the August 24th, 2023, regular meeting. Director Cox 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 2023. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District’s 2022 taxes were 98.19% collected as of the end of August.

Ms. Mata requested that check no. 5363 payable to the Harris Central Appraisal District be signed because the invoice will be received and payable between Board meetings. She noted the check can be held until the invoice is received.

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 2023 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 2023 water, sewer, and drainage debt service tax rate of \$0.175 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 26, 2023, at 6 pm; and (2) authorize the tax assessor/collector to publish notice of the District's meeting on October 26, 2023, to set the proposed 2023 total tax rate of \$0.265 per \$100 of assessed valuation, with \$0.175 allocated for debt service on water, sewer, and drainage bonds, and \$0.09 allocated for operations and maintenance. Director Brown seconded the motion, which passed unanimously.

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 presented one additional check, check no. 2560, payable to City Maintenance for the electrical box cleanout. She noted the invoice was sent to McLennan in June but was overlooked.

Ms. Butler then presented an additional check, check no. 1343, payable to Memorial Municipal Utility District, in the amount of \$52,484.86 for the yearly insurance payment from the Cinco Regional Sewage Treatment Plant account.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

There was no discussion on this matter.

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

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 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 Olsen seconded the motion, and the motion passed unanimously.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTORS ELECTION FOR HARRIS CENTRAL 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 appropriately and retained in the District's official records. Director Goff seconded the motion, which carried by unanimous vote.

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 95%.

Mr. Chapline discussed the rotation schedule for the cleaning and repainting of the District's fire hydrants. He proposed a two-year rotation, beginning with one side of Mason Road, and the Board concurred.

Mr. Chapline discussed the water line segment on Park Meadow and stated two additional fire hydrants need to be installed. He requested authorization for the installation of two fire hydrants and valves in the total amount of \$25,600.00.

RENEWAL OF EMERGENCY WATER INTERCONNECT AGREEMENT WITH NOTTINGHAM MUNICIPAL UTILITY DISTRICT

Mr. Chapline stated the renewal of the Interconnect Agreement is currently being prepared.

LIFT STATION ODOR CONTROL OPTIONS

Mr. Chapline discussed potential installation of an odor control system, SuperAll, at lift station no. 1 in the amount of \$2,125.00 for a one-time installation fee and a monthly fee of \$3,725.50. He stated the SuperAll odor control system will replace the current system at the sewer plant. Discussion ensued.

After discussion, Director Olsen moved to (1) approve the operator’s report; (2) approve the installation of two fire hydrants, as discussed; and (3) approve the proposal for the SuperAll odor control system in the amount of \$2,125.00 for a one-time installation fee and the \$3,725.50 monthly fee. 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 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, 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 Brown seconded the motion, which passed by unanimous vote.

Director Goff left the meeting.

ENGINEER’S REPORT

Ms. Hallaway presented the engineer's report, a copy of which is attached.

PARK YORK FORCE MAIN REPLACEMENT

Ms. Hallaway stated that BGE is currently preparing the plans for this project. Ms. Carner stated that ABHR is investigating whether there is an existing easement in the Harris County Flood Control Channel.

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. She stated that Harris County is coordinating with the US Army Corps of Engineers for their acceptance of the proposed design.

Ms. Hallaway stated that Harris County has awarded the contract to R. Construction for the Cimarron Sections 2,3,4 and 5 drainage improvements project and construction is underway. Ms. Hallaway noted construction should be completed before the end of the year.

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

Ms. Hallaway stated that BGE has reviewed the televised lines and recommended an extensive rehabilitation of the system. She stated the recommended repairs will cost approximately \$1,286,000.00.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Ms. Hallaway stated CSE W-Industries, Inc. ("CSE") is the contractor for the generator replacement project. She stated the contractor has completed the initial site work and is awaiting the delivery of the generator.

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

Ms. Hallaway stated that BGE has completed the plans and specifications for the sanitary sewer line rehabilitation of Cimarron, Sections 1, 2 and 3 and the Memorial Parkway, Sections 6, 7, and 8. She requested approval of the plans and specifications and authorization to advertise for bids.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway updated the Board on the status of bond application no. 9 and stated it is in process.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to (1) approve the engineer's report; and (2) approve the plans and specifications for the Cimarron, Sections 1, 2 and 3 and the Memorial Parkway, Sections 6, 7, and 8 sanitary sewer line rehabilitation project and authorize BGE to advertise for bids. Director Cox 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 updated the Board on the West Memorial sewer plant improvements.

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

Ms. Lightsey discussed a rental request for the administration building on Sunday, which includes a petting zoo. The Board discussed the commercial insurance requirement and time for the requested party. Discussion ensued. A copy of the request is attached.

Ms. Lightsey presented a proposal from City Maintenance in the amount of \$950.00 to repaint the front two doors of the administration building. Discussion ensued.

The Board discussed the removal of the shrubs across the street from the administration building.

GUTTER REPLACEMENT PROPOSAL

Ms. Lightsey stated a gutter proposal will be requested once the roof repair/replacement is addressed.

ROOF CLAIM STATUS AND REPAIRS OR REPLACEMENT

Ms. Lightsey stated the roof of the District administration building was inspected. She stated that TAG Roofing and Restoration ("TAG") stated that the additional buildings on the property should be inspected prior to submitting an insurance claim. Director Olsen discussed the deductible related to the claims needed for the roof replacement. He noted that the cost of the roof replacement may be less than the deductibles for the two locations. Discussion ensued.

GRANITE COUNTER REPAIR PROPOSAL IN KITCHEN

Ms. Lightsey stated the granite countertop in the kitchen is cracked. She presented a proposal from Time and Season in the amount of \$4,800.00 for the replacement of the kitchen countertops with 3CM granite material, a copy of which is attached. Discussion ensued regarding alternate material options and durability of same. She stated that City Maintenance will prepare a bid to replace the granite countertop for review at next month's meeting. After discussion, the Board concurred to authorize Ms. Lightsey to request additional proposals for the countertop replacement.

After discussion, Director Olsen moved to (1) approve the petting zoo party request, subject to receipt and verification of the vendor's certificate of insurance showing at least \$1 million per occurrence in general liability coverage and confirmation that the party will end by dusk; (2) approve the proposal in the amount of \$950.00 to repaint the front two doors at the administration building; and (3) authorize MDS to remove the shrubs across the street from the administration building, as discussed. Director Cox seconded the motion, which carried by unanimous vote.

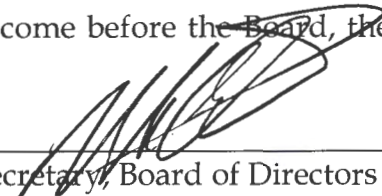
APPROVE FOURTH QUARTER DISTRICT NEWSLETTER

The Board reviewed the draft quarterly District newsletter. 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.

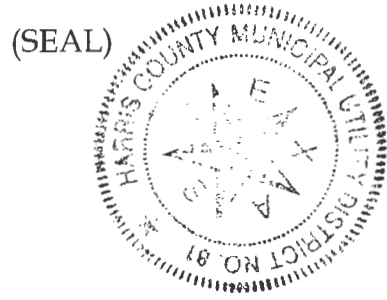
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY (THE "WHCRWA")

Ms. Carner stated that the WHCRWA has distributed a notice stating that they do not expect to raise their groundwater pumpage and surface water delivery fees for 2024, 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



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