

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

October 22, 2020

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 81 (the "District") met in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 22nd day of October, 2020, and the roll was called of the members of the Board being present by telephone:

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 attending the teleconference were Gregg Nady, a member of the public; Christie Leighton of Best Trash, LLC; Ryan Fortner of Wheeler & Associates, Inc.; Rebecca Marcucci of Municipal District Services, L.L.C. ("MDS"); Mary Lutz of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Kate Hallaway of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employee; and Katie Carner and Kim Cannon-Griffin of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Carner reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/hcmud81.

PUBLIC COMMENT

Mr. Nady discussed the completed Mason Creek hike and bike trail extension and thanked the Board for their participation in the project. He then discussed a small piece of undeveloped land near the hike and bike trail by Mason Road and inquired about the Board's interest in utilizing the land for the creation of a pocket park. Discussion ensued regarding ownership of the property and the maintenance of same if the land was acquired. The Board concurred to request Mr. Nady to further investigate the options and Harris County's willingness to participate in same.

MINUTES

The Board considered approving the minutes of the September 24, 2020, regular meeting. After discussion, Director Cox moved to approve the minutes of the September 24, 2020, regular meeting. Director Goff seconded the motion. A roll call of the Board was taken and the motion passed by unanimous vote, with all directors voting "yea."

TAX ASSESSOR/COLLECTOR REPORT

Mr. Fortner reviewed the tax assessor/collector's report for the month of September, 2020, a copy of which is attached. He stated the report reflects that the District's 2019 taxes were 98.3% collected as of the end of September. 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. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

Mr. Fortner reviewed the delinquent tax report, a copy of which is attached to the tax assessor's report. Discussion ensued regarding the personal property accounts.

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 2020 total tax rate of \$0.30.

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 2020 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 Goff moved to (1) adopt the Order Levying Taxes reflecting a total 2020 tax rate of \$0.30 per \$100 of assessed valuation, comprised of \$0.11 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 Brown seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

BOOKKEEPER'S REPORT

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

After discussion, Director Cathcart moved to approve the bookkeeper's report and the checks presented for payment. Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

OPERATOR'S REPORT

Ms. Marcucci reviewed a written operator's report, a copy of which is attached. He reported that the District's water accountability was 94% for September 2020.

Ms. Marcucci reviewed additional repair and maintenance items performed during the month.

CUSTOMER REQUESTS

There were no customer requests.

After discussion, Director Brown moved to approve the operator's report Director Cox seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

AUTHORIZE CRITICAL LOAD SPREADSHEET WITH NEW RETAIL ELECTRIC PROVIDER

The Board reviewed the District's Critical Load Spreadsheet. Ms. Carner noted that the District's electricity contract with Direct Energy will expire in January 2021 and the new electricity contract with Hudson will begin from January 2021 through January 2025. She stated the Critical Load Spreadsheet has been updated to reflect same. After review and discussion, Director Cox moved to authorize filing of updated Critical Load Spreadsheet and direct that the Critical Load Spreadsheet be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which passed by unanimous vote following a roll call vote.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Ms. Marcucci presented to the Board a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board to explain,

contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Ms. Johnson stated that customers Cadden, Dodson, Valdez, Santana and Martin requested an extension for payment of their delinquent accounts.

Following review and discussion, Director Cathcart 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 October 27, 2020, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Cadden, Dodson, Valdez, Santana and Martin and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Cox. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

The Board concurred to continue to the waive the \$100 additional deposit requirement for customers disconnected for non-payment.

ENGINEER'S REPORT

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 BGE has completed and submitted the design for this project to Harris County. He then requested authorization to advertise for bids for the project, subject to final approval by Harris County.

REPORT ON HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS

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 that Harris County has increased the cost estimate for the Memorial Parkway project substantially. Mr. Baker stated discussions have begun with engineers for other area municipal utility districts that would benefit from the Memorial Parkway improvements, and stated the initial response has been positive.

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

Mr. Baker stated that BGE has initiated design for this project.

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

Mr. Baker discussed upgrading the disinfection systems at each of the four water plants. He stated BGE has initiated design. Mr. Baker stated that water plant no. 1 will remain on gas for disinfection due to limited space available around the plant.

CAPITAL IMPROVEMENT PLAN

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

LEGAL CONFLICTS WAIVER

Ms. Carner reminded the Board that ABHR also represents Cinco Municipal Utility District No. 1. She reviewed with the Board, a legal conflicts waiver with respect to the preparation of the Second Amendment to the Reclaimed Water Agreement. After review and discussion, Director Cox moved that the Board approve the legal conflicts waiver. Director Goff seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

SECOND AMENDMENT TO THE RECLAIMED WATER AGREEMENT, SECOND SUPPLEMENT TO THE SIDE LETTER

Ms. Carner presented and reviewed the draft Second Amendment to the Reclaimed Water Agreement ("Second Amendment") and Second Supplement to Side Letter Agreement ("Second Supplement"). She stated that Si Environmental has reviewed and approved the draft exhibits, which include the additional north access road and the configuration of the additional ground storage tank.

ADDITIONAL ENGINEERING MATTERS

The Board discussed the status of the fence repair and removal of debris by the resident located at 21634 Park Green.

Following review and discussion, Director Goff moved to (1) approve the engineer's report; (2) authorize advertisement for bids for the sanitary sewer rehabilitation for Memorial Parkway, Sections 1 and 2, subject to approval from Harris County, as recommended; and (3) approve the Second Amendment and Second Supplement and direct that they be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion. A roll call of the Board was taken and the motion passed unanimously, with all directors voting "yea."

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.

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

Ms. Johnson stated that the new reception window has been installed.

Ms. Johnson stated the security cameras at the administration building have been repaired by NCS, and the connection to the building is complete. Ms. Johnson stated there are some modem issues at the Park Tree site to be addressed.

Mr. Baker stated that BGE is coordinating with Johnson Controls, Inc., and has prepared and sent an as-built sprinkler system map for the administration building for their analysis.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

There was no discussion on this matter.

GARBAGE AND RECYCLING MATTERS, INCLUDING ANNUAL REVIEW OF
CONSUMER PRICE INDEX ("CPI") ADJUSTMENT, AND REQUESTED PRICE
INCREASE, AND ADOPT AMENDED RATE ORDER

Ms. Leighton presented and reviewed a letter from Best Trash, LLC, regarding the District's annual CPI increase for 2020 of 3.5%, which results in an increased rate for garbage and recycling collection of \$0.62 per month per residence. A copy of the letter is attached. She added that the current garbage and recycling collection rate will increase from \$17.69 to \$18.31, during the billing cycle in October 2020 and the new rate will continue through September 2021.

The Board discussed amending the Rate Order to incorporate the \$0.62 increase in the sewer portion of the bills for single-family residential users. After discussion, Director Cathcart moved to approve the garbage and recycling increase of \$0.62 per month per residence, effective October 2020 and approve the Amended Rate Order to reflect same, and direct that the Amended Rate Order be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which carried by unanimous vote following a roll call vote.

DISCUSS NOVEMBER AND DECEMBER MEETING SCHEDULE

The Board discussed the upcoming November and December regular meeting dates for the District. The Board agreed to meet on November 19, 2020, at 6:15 p.m. and on December 10, 2020 at 6:15 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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