

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

October 24, 2019

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 24th day of October, 2019, and the roll was called of the members of the Board:

John Savage	President
George Goff	Vice President
Patrick Cathcart	Secretary
Donna Brown	Treasurer
Bruce Cox	Assistant Secretary

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

Also present were Virginia Goff, Kelly and Andrew Fergeson, Diana Krumrey and Carole Menninger, members of the public; Christie Leighton of Best Trash, LLC; Ryan Fortner of Wheeler and Associates, Inc. ("Wheeler"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Mary Lutz of McLennan & Associates, L.P. ("McLennan"); Kate Hallaway of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Ms. Menninger introduced herself to the Board and discussed her concerns with the repeated flooding in the District. Discussion ensued regarding the current status of discussions with Harris County regarding proposed plans for drainage improvements and projected costs for same. Ms. Carner noted that Harris County has not submitted any written request or provided details of the proposed improvements for the Cimarron subdivision to date.

MINUTES

The Board considered approving the minutes of the September 26, 2019, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the September 26, 2019, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Fortner reviewed the tax assessor/collector's report for the month of September, a copy of which is attached. He stated the report reflects that the District's 2018 taxes were 98.38% collected as of the end of September. After discussion, Director Cox moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cathcart seconded the motion, which carried by unanimous vote.

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

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.

Ms. Lutz presented two additional checks from the Capital Project Fund, including check nos. 1316 and 1317, both payable to BGE for the wastewater treatment plant emergency generator, in the amount of \$562.50 and for the wastewater treatment plant no. 4 rehabilitation project, in the amount of \$12,380.34.

Ms. Lutz also presented three additional checks from the General Fund, including check nos. 15734 and 15735, both payable to BGE, for general engineering services, in the amount of \$8,177.74 and for bond application no. 8 services, in the amount of \$2,000.00, and check no. 15735A, payable to Doris Vogt for meeting expenses in the amount of \$420.00.

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

REVIEW FINAL ARBITRAGE REBATE REPORT FOR THE SERIES 2010 BONDS

Ms. Carner reviewed a final arbitrage rebate report for the District's Series 2010 Bonds that states that the District does not owe a yield reduction payment to the Internal Revenue Service.

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 97.6% for September 2019.

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

Mr. Chapline reported there were four accounts totaling \$1,022.15 deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

CUSTOMER REQUESTS

Ms. Johnson stated that residents are still having issues with the timely delivery of mail from the Post Office due to damages to the Post Office building from Hurricane Imelda. She requested the deadline for payment arrangements be moved to October 30th, to allow more time for residents to receive their mail and make utility payments.

REPORT ON REVIEW AND PROPOSED ABANDONMENT OF INTERCONNECTS

There was no discussion on this matter.

UPDATE ON PICKFORD SANITARY SEWER LINE REPAIR

Mr. Chapline updated the Board on the status of the Cimarron Community Improvement Association ("Cimarron HOA") clubhouse sanitary sewer backup. He reviewed invoices for the work associated with District's investigation and repair of sanitary sewer line near Pickford and Cimarron, copies of which is attached. Discussion ensued regarding total cost associated with the backup removal in the amount of \$14,255.20. Mr. Chapline stated the direct costs associated with removal of the pool grout was \$2,849.85.

UPDATE ON FIRE HYDRANT INSTALLATION

Mr. Chapline updated the Board on the status of the additional fire hydrant installation and stated that only two are required, not three as he previously reported. He stated the two fire hydrants will be installed next week.

After review and discussion, Director Cox moved to (1) approve the operator's report; (2) write off the four delinquent accounts totaling \$1,022.15 which 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; (3) authorize ABHR to send correspondence to the Cimarron HOA requesting reimbursement in the amount of \$2,849.85 for the removal of pool grout from the sanitary sewer line adjacent to the clubhouse, as discussed; and (4) extend the deadline for residents to request payment arrangements to October 30, 2019. Director Brown seconded the motion, which carried 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. She stated that customers Greer, Gosnell and Moreno 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 30, 2019, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Greer, Gosnell and Moreno 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 unanimously.

ENGINEER'S REPORT

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

WATER PLANT NO. 4 NATURAL GAS GENERATOR AND MOTOR CONTROL CENTER ("MCC") REPLACEMENT

Ms. Hallaway stated the contractor for the natural gas generator and MMC replacement at water plant no. 4 is McDonald Municipal and Industrial ("McDonald"). She stated the total project amount is \$778,469.00. Ms. Hallaway stated the pre-construction meeting is scheduled for next week.

DRINKING WATER QUALITY, INCLUDING WATER PLANT NO. 4 WATER WELL NO. 4 PROFILING

Ms. Hallaway stated that C & C Water Services, LLC. ("C & C") is the contractor for the water plant water well no. 4 televising and profiling. She stated the total project amount is \$204,359.00.

TELEVISIONING OF MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER

Ms. Hallaway stated Chief Solutions, Inc. ("CS") is the contractor for this project. She stated the contracts are in process.

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

Ms. Carner stated that Harris County's construction of the hike and bike trail extension is in process.

CAPITAL IMPROVEMENT PLAN

Ms. Hallaway distributed and reviewed an updated capital improvement plan ("CIP"), a copy of which is attached to the engineer's report.

REQUEST FROM HARRIS COUNTY REGARDING DRAINAGE IMPROVEMENTS

Ms. Hallaway distributed and reviewed a preliminary response letter prepared by BGE to Harris County regarding their request for financial assistance for the drainage improvements in the Memorial Parkway subdivision, a copy of which is attached to the engineer's report.

Ms. Hallaway stated that BGE has not yet received a written request from Harris County for funding assistance for drainage improvements in the Cimarron subdivision, but that a representative indicated the approximate amount of the request would be \$5.4 million.

BOND APPLICATION NO. 8

Ms. Hallaway stated the draft Bond Application No. 8 application is in process.

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

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

ADMINISTRATION BUILDING AND PARKING LOT REHABILITATION

Ms. Hallaway stated the interior and exterior renovations of the administration building, including the parking lot rehabilitation, are complete.

SECURITY CAMERA EQUIPMENT MAINTENANCE

Ms. Johnson stated that when NCS repaired the security cameras, they caused damage to the freshly painted walls. After discussion, the Board

concurred to authorize ABHR to send correspondence to NCS requesting reimbursement for the cost of repainting.

GARBAGE AND RECYCLING MATTERS, INCLUDING ANNUAL REVIEW OF CPI ADJUSTMENT AND IF APPROPRIATE, APPROVE AMENDMENT TO RESIDENTIAL SOLID WASTE COLLECTION CONTRACT

Ms. Leighton presented and reviewed a letter from Best Trash, LLC, regarding the District's annual CPI increase for 2019 of 2.9%, which results in an increased rate for garbage and recycling collection of \$0.50 per month per residence. A copy of the letter is attached. She added that the current garbage and recycling collection rate will increase from \$17.19 to \$17.69, during the billing cycle in October 2019 and the new rate will continue through September 2020.

Ms. Leighton then discussed an Amendment to the Residential Solid Waste Collection Contract for consideration by the Board. She stated this Amendment would calculate the annual CPI adjustment for the garbage contract based on the previous 12 months average rather than basing it on the year-over-year change in one specific month. The Board did not take action at this time, pending further discussion at the next meeting.

After discussion, Director Cox moved to approve the garbage and recycling increase of \$0.50 per month per residence, effective October 2019. Director Cathcart seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Discussion ensued regarding the Authority's recent town hall.

DISCUSS THE ASSOCIATION OF WATER BOARD OF DIRECTORS FALL SEMINAR

The Board discussed the upcoming fall seminar and reported no Board members plan to attend.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board convened in Executive Session at 7:04 p.m. Ms. Carner and Ms. Cannon were also present.

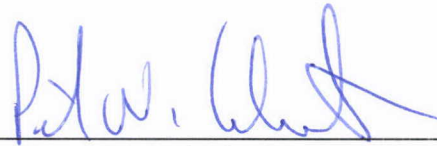
RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION
REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION,
REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR
EMPLOYEE

The Board reconvened in Regular Session at 7:14 p.m. The Board did not take any action.

DISCUSS NOVEMBER AND DECEMBER MEETING DATES

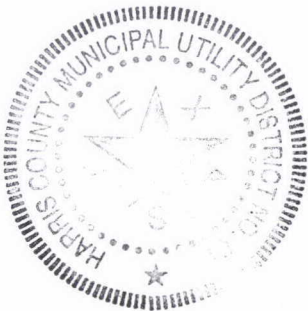
The Board discussed the upcoming November and December regular meeting dates for the District. The Board agreed to meet on November 21, 2019, at 6:15 p.m. and on December 19, 2019, at 6:00 p.m.

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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