

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

October 24, 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 24th day of October, 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: Caleb Powers, a resident of the District; Christie Leighton of Best Trash, LLC ("BT"); Ryan Fortner of Revenue Management Services ("RMS"); Renee Bulter of McLennan & Associates, LP; Katherine Hallaway 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 reported that the District's shred event was a success. He noted his appreciation for all who assisted in the District shred event.

MINUTES

The Board considered approving the minutes of the September 26, 2024, regular meeting. After discussion, Director Brown moved to approve the minutes of the September 26, 2024, regular meeting. Director Olsen seconded the motion, which passed by unanimous vote.

GARBAGE AND RECYCLING MATTERS, INCLUDING ANNUAL REVIEW OF CPI ADJUSTMENT AND REQUESTED PRICE INCREASE AND ADOPT AMENDED RATE ORDER, IF APPROPRIATE

Ms. Leighton discussed the recent shred event.

Ms. Leighton presented and reviewed a letter from BT regarding the District's annual CPI increase for 2025 of 5.3% which results in an increased rate for garbage and recycling collection of \$1.22 per month per residence to a total of \$24.24 per connection. A copy of the letter is attached. After discussion, Director Olsen moved to approve the CPI increase, as presented. Director Brown seconded the motion, which carried by unanimous vote.

Discussion ensued regarding the District's Rate Order and possible update to the monthly sanitary sewer flat rate to reflect the increased expense for garbage services.

Mr. Chapline discussed the increase in operator fees included in the previously approved amendment to the operator's contract approved at the July Board meeting, and recommended changes to certain fees in the District's Rate Order to reflect the increased expense to the District for certain operator services.

After discussion, Director Olsen moved to adopt an Amended District Rate Order to increase the single-family residential user sewer base rate from \$37.83 to \$39.00, and increase those fees recommended by the District's operator to the amount recommended by the District's operator, and direct that the Amended Rate Order be filed appropriately and retained in the District's official records. Director Brown 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 September 2024. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2023 taxes were 97.99% collected as of the end of September.

Ms. Mata presented one additional check, check no. 5600 in the amount of \$854.90, payable to the Houston Chronical for publication of the proposed 2024 tax rate.

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, including the additional check, as presented. Director Olsen seconded the motion, which passed by unanimous vote.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Mata confirmed that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2024 total tax rate of \$0.25 per \$100 of assessed valuation.

The Board opened the public hearing. There being no comments from the public, the Board closed the public hearing.

Ms. Judkins presented an Order Levying Taxes reflecting the proposed 2024 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 Olsen moved to (1) adopt the Order Levying Taxes reflecting a total 2024 tax rate of \$0.25 per \$100 of assessed valuation, comprised of \$0.05 to pay debt service on water, sewer, and drainage bonds and \$0.20 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, and the motion passed unanimously.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

Mr. Fortner reviewed the sales tax report, a copy of which is attached.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") FALL SEMINAR

Ms. Judkins stated the AWBD fall seminar will be held on October 30, 2024, at 6:00 p.m. at the Houston Marriot Westchase in Houston.

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 reported that the West Harris County Regional Water Authority ("WHCRWA") granted a one-time waiver of the late payment fees previously charged to the District and reiterated the modified procedures now used by McLennan & Associates to ensure the WHCRWA receives timely payment.

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

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

There was no discussion on this matter.

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 95.7%.

Mr. Chapline requested authorization to forward six delinquent accounts to collections, totaling \$1,437.97.

Mr. Chapline updated the Board on the District's lead and copper service line inventory (the "Lead & Copper Inventory"), noted the inventory has been completed and will be submitted to the Environmental Protection Agency ("EPA"). Discussion ensued regarding the inventory and related public notice requirements. Following discussion, the Board concurred to post the following notice to the public as part of these minutes:

The District has completed the Lead & Copper Inventory as required by the EPA. Through records research and field investigation of the distribution system, it has been determined that the system has no lead service lines or galvanized requiring replacement service lines. If you would like a copy of the Lead & Copper Inventory, please submit your request to Har081@txdistricts.info.

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 the televised tapes have been reviewed and discussed recommendations that result from the analysis of the tapes.

Mr. Chapline stated there is approximately 100 feet of sagging sanitary sewer line that needs replacement in the amount of \$7,500.00. He also discussed five point repairs that are needed on the sanitary sewer line at a cost of approximately \$4,000 to \$5,000, for each point repair. Mr. Chapline stated that once the point repairs and the sagging sanitary sewer line replacement are complete, he recommended lining the sanitary sewer pipe and estimated the cost to be approximately \$151,000, which would require a project that is publicly advertised in accordance with competitive bidding requirements.

Ms. Judkins updated the Board on the preparation of the draft agreement between the District and Cornerstones MUD regarding the sanitary sewer line on Kenlake Drive and stated she is currently working on the draft agreement.

After discussion, and as recommended by the operator, Director Olsen moved to: (1) approve the operator's report; (2) authorize MDS to forward the six delinquent accounts totaling \$1,437.97 to collections; (3) approve the District's Lead & Copper Inventory, make a copy of the inventory available by request submitted to Har081@txdistricts.info, and post notice of the availability of the inventory in these minutes, as stated above; (4) authorize MDS to repair the point repairs identified on the Kenlake sanitary sewer line in the approximate amount of \$5,000 for each of the five point repairs; and (5) approve the repair to the 100 feet of the sagging sanitary sewer line on Kenlake in the amount of \$7,500.00. Director Brown 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.

ENGINEER'S REPORT

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

Ms. Hallaway discussed the televising and cleaning of sanitary sewer collection lines for Memorial Parkway Sections 9, 11, and 13, Cimarron Sections 3 - 5, and Silverstone Section 1 and reviewed an engineering proposal for same in the amount of \$60,000.00.

CAPITAL IMPROVEMENT PLAN ("CIP")

There was no discussion on this matter.

PARK YORK FORCE MAIN REPLACEMENT, INCLUDING EASEMENT ACQUISITION

Ms. Hallaway 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

Ms. Hallaway discussed the Water Plant No. 3 elevated storage tank rehabilitation project and stated BGE has completed the survey for the project and plan production is at about 30% complete.

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 and noted there may be some progress in this area that could result in the project moving forward.

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

Ms. Hallaway stated the Notice to Proceed for the sanitary sewer rehabilitation for Memorial Parkway, Sections 3 - 5 project was issued on October 7, 2024, noting the contractor has not mobilized. She stated that the contractor has submitted the application for permits to Harris County.

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 will provide a proposal for rehabilitation for Cimarron, 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

Ms. Hallaway 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. She stated that Mr. Powers has requested that the project be scheduled for Saturday, October 26th. Discussion ensued regarding the proposed project. Mr. Powers was again reminded of the requirement to complete the provided paperwork before any work on the project can begin and the importance of safety during the project.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to: (1) approve the engineer's report; (2) approve the proposal from BGE in an amount not to exceed \$60,000.00 for design services related to the cleaning and televising of sanitary sewer collection lines for Memorial Parkway Sections 9, 11, and 13, Cimarron Sections 3 - 5, and Silverstone Section 1; and (3) authorize the Eagle Scout storm sewer inlet marker project to be scheduled for Saturday, October 26, 2024, subject to receipt of all required paperwork. 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 meeting, and the Board received and reviewed the report from the meeting, a copy of which is attached.

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 OR REPLACEMENT

Ms. Lightsey stated the repair to reseal and weatherproof the glass blocks near ceiling in the great room is complete and the total cost was \$625.00.

Ms. Lightsey reviewed the proposals discussed at last month's meeting received from City Maintenance and MJ Custom Remodeling for wall repair and repainting of the great room. Copies of these proposals are attached.

Ms. Lightsey stated she received a verbal proposal from City Maintenance for the repair of the glass block wall in the estimated amount of \$2,500.00.

Discussion ensued regarding the proposed repairs to the great room and glass block wall, including discussion of the timing and coordination of the repairs.

Ms. Lightsey provided a copy of the quarterly report from Time and Season, a copy of which is attached.

After discussion, Director Olsen moved to: (1) approve the seal weatherproofing repair in the amount of \$625.00; (2) approve the proposal from MJ Custom Remodeling in the amount of \$10,300.00 to repair the damaged wall and repaint the entire great room; and (3) approve the proposal in the estimated amount of \$2,500.00 from City Maintenance for repair of the glass block wall. Director Brown seconded the motion, which passed by unanimous vote.

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

There was no discussion on this matter.

AUTHORIZE FILING OF CRITICAL LOAD SPREADSHEET WITH NEW RETAIL ELECTRIC PROVIDER

Ms. Judkins stated that the District's electricity contract will change to a new provider (Reliant) effective January 1, 2025 through April 30, 2029. She explained that this change results in a requirement to revise the District's Critical Load Spreadsheet. After discussion, Director Brown moved to authorize filing of a revised Critical Load Spreadsheet with the appropriate entities, as required. Director Cox seconded the motion, which carried by unanimous vote.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2015 REFUNDING BONDS

Ms. Judkins reviewed the final arbitrage rebate report for the Series 2015 Unlimited Tax Refunding Bonds prepared by OmniCap Group (the "Report"). She stated the Report indicates no payment is due to the Internal Revenue Services and the Report will be filed in the District's official records.

DISCUSS NOVEMBER AND DECEMBER MEETING SCHEDULE

The Board discussed dates for the upcoming November and December meetings, including the regular Board meetings, the Cinco Regional Sewage Treatment Plant ("STP") operating committee meetings, and the STP special Board meetings in light of the upcoming holidays and the holiday party. The Board concurred to schedule the November regular Board meeting on November 21, 2024, at 6:15 p.m. and to schedule the November STP operating committee meeting and the November STP special Board meeting for their usual days and times. The Board further concurred to schedule the December STP operating committee meeting on December 5, 2024 at 6:00 p.m. and to

schedule on December 12, 2024 the December regular Board meeting at 5:30 p.m., the December STP special Board meeting at 6:30 p.m., and the holiday party at 7:00 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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