

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

October 25, 2018

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 25th day of October, 2018, and the roll was called of the duly constituted members of the Board of Director, 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, Virginia Goff, Warren Brown and Raul Gutierrez, members of the public; Christie Leighton of Best Trash, LLC; Scott Stevenson of Simple Recycling; Lizandro Campos of Wheeler and Associates, Inc. ("Wheeler"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Mary Lutz of McLennan & Associates, L.P. ("McLennan"); Doug Baker of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the September 27, 2018, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the September 27, 2018, regular meeting. Director Cox seconded the motion, which carried by unanimous vote.

PROPOSAL FROM SIMPLE RECYCLING AND APPROVE AGREEMENT FOR COLLECTION OF SOFT RECYCLABLES

Mr. Stevenson presented and reviewed a flyer regarding details of the Simple Recycling program. He stated the scheduled pick up day would be the same day as the Best Trash recycling pick up day. He also stated there is no cost to the District for participation in the program and the District will receive \$0.01 per pound of soft recyclable materials collected. Discussion ensued.

Ms. Carner presented and reviewed an Agreement for Collection of Soft Recyclables with Simple Recycling. Following review and discussion, Director Goff moved to approve the Agreement for Collection of Soft Recyclables with Simple Recycling, subject to final review, and direct that the Agreement for Collection of Soft Recyclables with Simple Recycling be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which passed unanimously.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Campos 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 2017 taxes were 98.75% collected as of the end of September. After discussion, Director Cathcart moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Brown seconded the motion, which carried by unanimous vote.

Mr. Campos 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, including check no. 14881 payable to Blast Trash, LLC, in the amount of \$169.00, and check no. 14882 payable to Director Cox for fees of office for meeting attendance on September 10th, 20th, and 27th, 2018, in the amount of \$415.58. The Board discussed the services being provided by Blast Trash, LLC with Ms. Johnson and requested that she seek Board authorization for all new vendors going forward.

Ms. Lutz stated the District received a wire payment in the amount of \$105,816.46 from the Texas Department of Public Safety. Mr. Baker stated he would investigate the amounts of the Federal Emergency Management Agency grant reimbursements the District is expecting to receive.

After discussion, Director Cathcart moved to approve the bookkeeper's report and the checks presented for payment. 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 91.1% for September 2018.

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

Mr. Chapline reported there were four accounts totaling \$270.79, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

After review and discussion, Director Cox moved to approve the operator's report and write off the four delinquent accounts totaling \$270.79 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 Brown seconded the motion which carried by unanimous vote.

CUSTOMER REQUESTS

Ms. Johnson discussed a resident complaint regarding residents in the District leaving their emptied garbage cans by the street after pick-up. The Board requested ABHR contact the Memorial Parkway and Cimarron Community Associations regarding the issue.

Ms. Johnson stated the Memorial Parkway Community Association has requested a waiver of penalties imposed due to delinquent payments. Discussion ensued. The Board concurred to deny the delinquent fees and a waiver of penalties.

Mr. Gutierrez addressed the Board and discussed the history of water usage at 943 Sienna Shadows. He stated that his last few utility bills have been reflecting higher than usual water usage. Mr. Chaplin stated that MDS would investigate and report back to the Board next month. The Board concurred to hold off on imposing delinquent fees and penalties on Mr. Gutierrez's account until MDS can investigate the issue.

Ms. Johnson discussed a complaint from the resident at 21302 Park Villa regarding the inability to pay their utility bill with personal checks due to numerous checks not clearing the bank. Following discussion regarding the Amended Rate Order provision regarding returned checks, the Board did not take action.

TERMINATION OF SERVICE

The Board next 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 Lake, Molinas, Hummel, and Curry 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 31, 2018, if their utility bills are not paid in accordance

with the District's Rate Order, except for customers Lake, Molinas, Hummel, and Curry and direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Cox seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING MATTERS, INCLUDING CPI INCREASE

Ms. Leighton presented and reviewed a letter from Best Trash, LLC, regarding the District's annual CPI increase for 2018 of 4.8%, which results in an increased rate for garbage and recycling collection of \$1.75 per month per residence and includes an additional \$1.00 increase request for significantly increased recycling costs. A copy of the letter is attached. She added that the current garbage and recycling collection rate will increase from \$15.44 to \$17.19, during the billing cycle in October 2018 and the new rate will continue through September 2019. After discussion, Director Cox moved to approve the garbage and recycling increase of \$1.75 per month per residence effective October 2018. Director Cathcart seconded the motion, which carried by unanimous vote.

ENGINEER'S REPORT

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

ESTIMATE FOR REPLACEMENT OF WATER LINE DISTRIBUTION SYSTEM

Mr. Baker discussed the potential replacement of the water line distribution system in the District, including the estimated cost in the amount of \$11,264,178. Discussion ensued regarding the capital improvement plan options for financing same.

WATER PLANT NO. 2 WATER WELL NO. 2 REPAIRS

Mr. Baker updated the Board on the emergency repairs to water well no. 2, at water plant no. 2. He stated the repair is in progress and will be completed by next week. The Board discussed surplus bond proceeds that could be used to fund the water plant no. 2 well repairs. After discussion, Director Cox moved to authorize ABHR and BGE to submit a notice letter to the Texas Commission on Environmental Quality ("TCEQ") regarding the use of surplus bond proceeds for the water plant no. 2 well repairs. Director Cathcart seconded the motion, which carried by unanimous vote.

REVIEW BIDS AND AWARD CONTRACT FOR PARK BEND AND STRAWBERRY PARK STORM SEWER INLET IMPROVEMENTS

Mr. Baker stated that BGE has completed the survey and the design of the storm sewer inlets at Park Bend and Strawberry Park. He stated BGE is has received comments from Harris County and has resubmitted plans and specifications for review.

TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

There was no discussion on this matter.

TELEVISIONING OF RED ROCK CANYON STORM SEWER AND SANITARY SEWER LINES

Mr. Baker discussed the pavement settlement near 827 Red Rock Canyon Road. He reviewed the camera survey results and stated the sanitary sewer lines and storm sewer lines both require repairs. He stated the estimated cost for the sanitary sewer line repairs is \$140,000.00 to \$150,000.00, and that Harris County is responsible for the storm sewer line repairs.

Discussion ensued regarding the operator performing the sanitary sewer line repairs. After discussion, the Director Cox moved to authorize MDS to repair the sanitary sewer lines, as discussed. Director Cathcart second the motion, which carried by unanimous vote.

Mr. Baker stated he would notify Harris County of the storm sewer line issue and request that Harris County make the needed repairs to same.

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

There was no discussion on this matter.

CAPITAL IMPROVEMENT PLAN

Mr. Baker distributed and reviewed an updated capital improvement plan ("CPI"). Discussion ensued.

AUTHORIZE PREPARATION OF BOND APPLICATION NO. 8

Mr. Baker requested authorization to prepare Bond Application No. 8 in the amount of \$4,000,000.00. After discussion, Director Cathcart moved to authorize BGE to begin preparation of Bond Application No. 8. Director Cox seconded the motion, which carried by unanimous vote

Following review and discussion, Director Cox moved to approve the engineer's report. Director Brown 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.

OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE AND DISTRICT WEBSITE, INCLUDING PROPOSAL FOR SANITARY SEWER LINE REHABILITATION

Ms. Johnson discussed the current cleaning service provider at the administration building and concerns regarding the quality of the services provided. She discussed hiring a cleaning services to perform a deep cleaning of the administration building and reviewed two proposals for same. Discussion ensued. After discussion, the Board concurred to authorize Ms. Johnson to hire a cleaning service for one deep cleaning of the administration building.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("WHCRWA")

There was no discussion on this matter.

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 15, 2018, at 6:15 p.m. and tentatively on December 13, 2018, at 6:15 p.m., pending confirmation by the Cinco Plant Operating Committee at its next meeting.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)




Secretary, Board of Directors

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