

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

October 26, 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 26th day of October, 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 Virginia Goff, a member of the public; Breah Campbell of Time & Season Property Management; Nick Rufino and Billy Gibson of TAG Roofing and Restoration; Ryan Fortner of Revenue Management Services; 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 September 28, 2023, regular meeting. After discussion, Director Olsen moved to approve the minutes of the September 28, 2023, regular meeting. 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 2023. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2022 taxes were 98.51% 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 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. Carner stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2023 total tax rate of \$0.265 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. Carner presented an Order Levying Taxes reflecting the proposed 2023 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 2023 tax rate of \$0.265 per \$100 of assessed valuation, comprised of \$0.175 to pay debt service on water, sewer, and drainage bonds and \$0.09 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 Olsen seconded the motion, and the motion passed unanimously.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

Mr. Fortner stated that the fourth-quarter sales tax revenue report from the City of Houston has not been received and it will be discussed at next month's meeting.

ADOPT RESOLUTION CASTING BALLOT FOR BOARD OF DIRECTORS ELECTION FOR HARRIS COUNTY APPRAISAL DISTRICT ("HCAD")

Ms. Carner stated the ballot has not yet been received from HCAD.

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. 2617 payable to the Texas Commission on Environmental Quality for permit fees. She stated once the invoice is received the check will be released.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

The Board considered adopting a Resolution Expressing Intent to Reimburse for the costs associated with the Sanitary Sewer Rehabilitation for Memorial Parkway Sections 6, 7 and 8 and Cimarron Sections 1, 2 and 3. After review and discussion, Director Cox moved to adopt the Resolution Expressing Intent to Reimburse and direct that the Resolution be filed appropriately and retained in the District's official records. Director Brown seconded the motion, which passed unanimously.

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

GARBAGE AND RECYCLING MATTERS, INCLUDING REPORT FROM COMMUNITY SHRED EVENT, AND ANNUAL REVIEW OF CPI ADJUSTMENT

Ms. Leighton distributed and reviewed a shred event report, a copy of which is attached. She stated that two tons of paper were shredded.

Ms. Leighton presented and reviewed a letter from Best Trash, LLC, regarding the District's annual CPI increase for 2024 of 7.1% which results in an increased rate for garbage and recycling collection of \$1.53 per month per residence. A copy of the letter is attached. After discussion, Director Goff moved to approve the CPI increase, as presented. Director Olsen seconded the motion, which carried by unanimous vote.

Discussion ensued regarding the District's Rate Order and whether the District should pass through all or a portion of the increase to the residents. After discussion, Director Goff moved to adopt an Amended District Rate Order to reflect an increase of \$0.78 to the single-family residential user sewer base rate, totaling \$37.83, and direct that the Amended Rate Order be filed appropriately and retained in the District's official records. Director Olsen seconded the motion, which passed 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 94.2%.

Mr. Chapline requested approval to write off one account totaling \$44.80, deemed uncollectible, and submit same to a collection's agency.

Mr. Chapline stated that the District is currently in Stage 1 of the Drought Contingency Plan ("DCP"). He stated that the West Harris County Regional Water Authority has rescinded Stage 2 and returned to Stage 1 of their DCP. Discussion ensued.

Ms. Vogt reported on two resident complaints. She stated that a resident located on Park Brook complained of a sewer smell in her bathroom for two weeks. She stated two residents located on Park Bend and Park Brook stated that after the repair of the concrete near their home, there is sinking of the repaired area. Mr. Chapline stated he would investigate the complaints.

RENEWAL OF EMERGENCY WATER INTERCONNECT AGREEMENT WITH NOTTINGHAM MUNICIPAL UTILITY DISTRICT

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

UPDATE ON DISTRICT COMPUTER SYSTEM AND E-MAIL MATTERS AND AUTHORIZE APPROPRIATE ACTION

There was no discussion on this matter.

UPDATE ON FIRE HYDRANT REPAIRS AND PROPOSAL FOR PAINTING

There was no discussion on this matter.

UPDATE ON INSTALLATION OF LIFT STATION ODOR CONTROL SYSTEM

Mr. Chapline updated the Board on the installation of the odor control system, SuperAll, at lift station no. 1 and stated it is complete.

After discussion, Director Olsen moved to (1) approve the operator's report; (2) authorize MDS to write off one account totaling \$44.80 and forward the account to collections; and (3) rescind Stage 2 status of the District's DCP. 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 Cox seconded the motion, which passed by unanimous vote.

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 bids were received for the sanitary sewer line rehabilitation of Cimarron, Sections 1, 2 and 3 and the Memorial Parkway, Sections 6, 7, and 8. Ms. Hallaway recommended that the Board award the contract to Chief Solutions ("CS") in the amount of \$142,888.50. The Board concurred that, in its judgment, CS was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

UPDATE ON 5-YEAR REPORT REGARDING ELECTRICITY CONSUMPTION AND EMERGENCY EFFICIENT MATTERS

Ms. Hallaway stated that the District has an annual electricity expense of \$200,000 or more and is required to prepare a report on the District's electricity consumption and energy efficiency measures this year and every five years thereafter. Discussion ensued.

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; (2) award the contract for the sanitary sewer line rehabilitation of Cimarron, Sections 1, 2 and 3 and Memorial Parkway, Sections 6, 7, and 8 to CS in the amount of \$142,888.50, based upon the engineer's recommendation and subject to approval of the payment and performance bonds and verification of certificate of insurance; and (3) authorize BGE to prepare the five-year energy usage evaluation. 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 reviewed a report on the West Memorial sewer plant improvements. A copy of the report is attached.

Director Goff left the meeting.

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

Ms. Vogt stated six crepe myrtle trees have been removed at the District administration building. She then discussed a proposal from Custom Cutters in the amount of \$1,680.00 to replace the 6 crepe myrtle trees. Discussion ensued regarding unexpected weather conditions in recent years. The Board did not take action.

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

Mr. Rufino discussed the condition of the District administration building roof, and the roof on two additional District plant control buildings located on Cimarron and Westgreen. He discussed the submission of a claim to the District insurance company for the District administration building roof replacement and deductible related to same, and the replacement the roof for the two additional District plant control buildings, at the District's sole cost.

After discussion, Director Olsen moved to (1) approve the roof replacement on three District buildings, as discussed and authorized execution of a Service Agreement with TAG, subject to final review; and (2) authorize TAG to submit an insurance claim with the District's insurance company for the roof replacement on District administration building. Director Cox seconded the motion, which carried by unanimous vote.

GRANITE COUNTER REPAIR PROPOSAL IN KITCHEN

Ms. Vogt 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. She then discussed a proposal from City Management in the amount of \$6,875.00 for silestone countertop replacement, a copy of which is attached. Discussion ensued regarding material options and durability of same. After discussion, Director Olsen stated he would contact Lowes to request an additional proposal for countertop replacement.

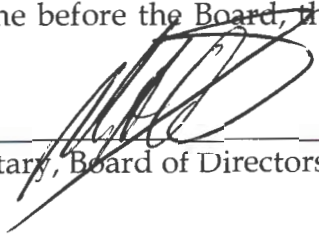
QUARTERLY REPORT FOR CLEANING SERVICES

Ms. Campbell distributed and reviewed the cleaning services report, a copy of which is attached.

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

Director Cathcart discussed the WHCRWA water treatment plant expansion construction project.

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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