

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

November 16, 2017

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 16th day of November, 2017, and the roll was called of the duly constituted members of the Board of Directors, 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, a member of the public; Tony Garza of Cornerstone Municipal Utility District ("Cornerstones"); Ryan Fortner of Wheeler and Associates, Inc. ("Wheeler"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Jorge Diaz of McLennan & Associates, L.P. ("McLennan"); Doug Baker and Daniel Sparks of BGE, Inc. ("BGE"); Starr Johnson and Doris Vogt, District employees; and Katie Carner and Tracie Brownlee of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the October 26, 2017, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the October 26, 2017, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

REQUEST FROM MEMORIAL PARKWAY ELEMENTARY REGARDING FUNDING FOR SPARK PARK

There was no discussion on this matter.

REQUEST FROM MEMORIAL PARKWAY COMMUNITY ASSOCIATION
REGARDING DEVELOPMENT OF PLAYGROUND AND OTHER RECREATIONAL
FACILITIES ADJACENT TO HARRIS COUNTY HIKE AND BIKE TRAIL

There was no discussion on this matter.

REVIEW FINAL ARBITRAGE REBATE REPORT FOR THE SERIES 2007 BONDS

Ms. Carner reviewed the Final Arbitrage Rebate Report for the Series 2007 Bonds, a copy of which is attached. Ms. Carner stated that the report shows the District does not owe the Internal Revenue Service any payment for excess earnings on the Bonds.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Fortner reviewed the tax assessor/collector's report for the month of October, a copy of which is attached. He stated the report reflects that the District's 2017 taxes were 0.0% collected as of the end of October. After discussion, Director Cathcart moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cox 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.

ADOPT RESOLUTION CASTING BALLOT FOR THE ELECTION OF A PERSON TO
THE BOARD OF DIRECTORS OF THE HARRIS COUNTY APPRAISAL DISTRICT

Ms. Carner presented the ballot for the election of a person to the Board of Directors of the Harris County Appraisal District ("HCAD"). After discussion, Director Cathcart moved to adopt the Resolution Casting Ballot for the Election of a Person to the Board of Directors of HCAD, casting the District's vote for Glenn Peters. Director Brown seconded the motion, which carried by unanimous vote.

BOOKKEEPER'S REPORT

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

Mr. Diaz presented one additional check to Starr Johnson in the amount of \$361.19 to reimburse her for expenses for the District office due to the District credit card being declined due to non-payment. Discussion ensued regarding the District credit card and why it is being declined for purchases. Mr. Diaz stated he would investigate and report back to the Board next month.

After discussion, Director Brown moved to approve the bookkeeper's report and the checks presented for payment, including additional check to Starr Johnson in the

amount of \$361.19. Director Cox seconded the motion, which carried by unanimous vote.

BUDGET FOR FISCAL YEAR END DECEMBER 31, 2018

Mr. Diaz presented a draft budget for the fiscal year ending December 31, 2018. A copy of the draft budget is attached to the bookkeeper's report. After discussion, the Board concurred to defer adoption of the budget until next month.

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 97.8% for October 2017.

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

Mr. Chapline stated the interconnect with Nottingham Municipal Utility District is still being utilized.

Mr. Chapline reported there were 3 accounts totaling \$1,967.29, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Ms. Carner stated the District received a request from Harris County Emergency Services District 48 Fire/EMS ("HCESD48") to submit a Pre-survey Water Supply questionnaire to assist in their Insurance Services Office ("ISO") evaluation of their water system's ability to provide emergency fire suppression water as well as the ongoing maintenance of fire hydrants in their service. Discussion ensued.

Mr. Garza stated that some residents on Kenlake at the border between the District and Cornerstones are experiencing sanitary sewer backup during heavy rain. He requested that the Board consider installing inflow preventers in the manholes. Discussion ensued.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; (2) write off the 3 delinquent accounts totaling \$1,967.29, 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; (3) authorize MDS to complete and provide the requested ISO survey to HCESD48; and (4) authorize BGE and MDS to request proposals to install inflow preventers in the District's sanitary sewer manholes on Kenlake. Director Cox seconded the motion which carried by unanimous vote.

CUSTOMER REQUESTS

Ms. Caner reviewed emails from resident Troy Browning regarding his concerns related to the security of electronic payment options and timely receipt of utility bills. Discussion ensued regarding methods of transmission of utility bills, including options for electronic delivery.

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 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 Antonio Pedraza requested an extension for payment of his delinquent account.

Following review and discussion, Director Brown 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 November 28, 2017, if their utility bills are not paid in accordance with the District's Rate Order, except for Antonio Pedraza 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.

ADOPT AMENDED RATE ORDER

The Board discussed amending the Rate Order to increase the sewer rate by \$0.32, to \$30.44 the effective December 18, 2017 to include the CPI increase for garbage collection. After discussion, Director Cathcart moved to adopt the Amended Rate Order. Director Cox seconded the motion, which carried by unanimous vote.

ENGINEER'S REPORT

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

GROUND STORAGE TANK AND HYDRO TANK REHABILITATION AT WATER PLANT NO. 1

Mr. Baker stated that the demolition is complete, and the hydro-pneumatic tank has been installed.

TELEVISIONING OF CIMARRON SUBDIVISION, SECTIONS 1 AND 2

The Board deferred discussion regarding the rehabilitation of the sanitary sewer system in Cimarron Subdivision, Sections 1 and 2.

WATER MODELING STUDY

Mr. Baker reported that BGE has resumed the water modeling study since water plant no. 4 became operational and has completed the calibration testing.

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

Ms. Carner reported that Harris County Anticipates acquitting the remaining parcel for the hike and bike trail extension by March 2018.

CAPITAL IMPROVEMENT PLAN

Mr. Baker reviewed an updated Capital Improvement Plan, a copy of which is included in the engineer's report.

OTHER ENGINEERING MATTERS

The Board discussed a request from BGE for a letter of reference for the Texas Water Development Board.

The Board also requested that BGE provide a proposal for a one time inspection of the storm sewer manholes. Discussion ensued regarding Harris County maintenance of the storm sewers and necessary notification to Harris County before conducting any inspection or repairs.

Following review and discussion, Director Cathcart moved to approve the engineer's report and authorize submission of a letter of reference for BGE to the Texas Water Development Board. 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.

REVIEW OPERATION, REPAIR, AND MAINTENANCE OF ADMINISTRATIVE OFFICE BUILDING

Mr. Baker stated that Preventative Services will be the contractor for the repair of the pavement near the drain in the parking lot of the administrative building. He reported the contracts have been executed and construction will be completed over the Thanksgiving holiday.

Ms. Johnson received a request from a resident to utilize the Administrative Office Building parking lot for pony rides. Discussion ensued regarding insurance requirements for same. The Board concurred that the resident would need to provide an insurance certificate with at least 1,000,000 of liability coverage listing the District as an additional insured in order to offer the pony rides.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

There was no discussion on this matter.

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

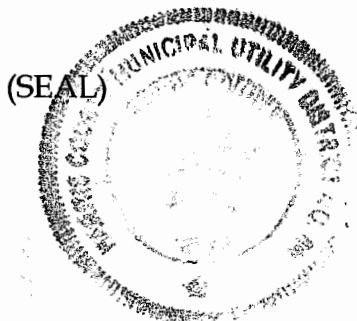
The Board convened in Executive Session at 6:58 p.m. Ms. Carner and Ms. Brownlee were also were present.

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 7:05 p.m. After discussion, Director Goff moved to authorize a \$500.00 Christmas holiday bonus to District employees Doris Vogt and Starr Johnson. Director Cox seconded the motion, which carried by unanimous vote.

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


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

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