

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

November 21, 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 21<sup>st</sup> day of November, 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, thus constituting a quorum.

Also present were Terry Savage and Kenneth Schaudt, members of the public; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Mary Lutz of McLennan & Associates, L.P. ("McLennan"); Doug Baker and 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

There were no public comments.

MINUTES

The Board considered approving the minutes of the October 24, 2019, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the October 24, 2019, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

The Board reviewed the tax assessor/collector's report for the month of October, a copy of which is attached. Ms. Carner stated the report reflects that the District's 2019 taxes were 5.51% collected as of the end of October. 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.

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

The Board discussed the HCAD director's election. Ms. Carner presented and reviewed the District's ballot for the election and explained the voting process. After review and discussion, Director Cathcart moved to Adopt a Resolution Voting for Director in the Harris County Appraisal District Board of Director Election and cast its vote for Glenn Peters. Director Cox seconded the motion, which carried by unanimous vote.

DISCUSS POTENTIAL NEWSLETTER, INCLUDING REVIEW PROPOSALS AND IF APPROPRIATE APPROVE RELATED SERVICE AGREEMENT

Ms. Carner distributed and reviewed three proposals for quarterly newsletter preparation and distribution, copies of which are attached. The Board discussed the importance of communication to residents. After discussion, Director Brown moved to approve the proposal from Crescere/Boe Creative for preparation and distribution of the quarterly newsletter, approve a Service Agreement for same, and direct that the Agreement be filed appropriately in the District's official records. Director Cathcart seconded the motion, which carried by unanimous vote.

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.

Director Goff reported that the District will be receiving a credit of approximately \$8,331.86 from Direct Energy on the next invoice. He stated the District improperly has been charged for taxes for the term of the contract. He reported Acclaim Energy Advisors ("Acclaim") will be more carefully monitoring future invoices for tax and other billing errors.

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

BUDGET FOR FISCAL YEAR END DECEMBER 31, 2020

Ms. Lutz distributed and reviewed a draft budget for fiscal year end December 31, 2020, a copy of which is attached to the bookkeeper's report. The Board deferred action, pending further review.

## 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 98.83% for October 2019.

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

## CUSTOMER REQUESTS

Ms. Johnson stated that residents are still reporting issues with the timely delivery of mail due to damages to a main distribution building from Hurricane Imelda. She discussed three resident request for removal of late fees due to delayed mail. After discussion, Director Savage moved to approve the removal of the late fees for the three accounts located at 21202 Park York, 22010 North Fork and 831 Hidden Canyon. Director Cathcart seconded the motion, which carried by unanimous vote.

Ms. Johnson stated a resident located at 22310 Red River requested reimbursement of a \$15.00 stopped payment fee applied to his account. She stated a check was mailed to the resident but he did not attempt to cash the check until two months later, by which time a replacement check had already been reissued and stop payment placed on the first check. After discussion, Director Savage moved to approve a credit of \$15.00 on the account of the resident to reimburse the stop payment fee. Director Brown seconded the motion, which carried by unanimous vote.

## REPORT ON REVIEW AND PROPOSED ABANDONMENT OF INTERCONNECTS

There was no discussion on this matter.

## UPDATE ON REIMBURSEMENT FOR PICKFORD SANITARY SEWER LINE REPAIRS

Ms. Carner stated that the Cimarron Community Improvement Association ("Cimarron HOA") sent correspondence to the District requesting the District's insurance information to file a claim for alleged damages to their clubhouse due to a main sewer line backup on August 5, 2019. Ms. Carner stated she sent correspondence to Cimarron HOA requesting reimbursement for the cost of televising and cleaning the sewer line to remove pool grout, as previously authorized by the Board. Discussion ensued. The Board concurred to direct the District's insurance carrier to initiate a claim and to provide a copy of the District's correspondence to the carrier.

## UPDATE ON FIRE HYDRANT INSTALLATION

There was no discussion on this matter.

After review and discussion, Director Goff moved to approve the operator's report. 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 there were no customers that requested payment arrangements.

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 December 4, 2019, 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 unanimously.

## DISCUSS ELECTRICITY CONTRACT, INCLUDING ACCLAIM PRESENTATION ON PARTICIPATION IN ELECTRICITY POOL, AND AUTHORIZE APPROPRIATE ACTION

The Board reviewed an analysis from Acclaim for the District to participate in an electricity pool, which would extend the District's current electricity contract from April 30, 2023 through April 30, 2029, at a rate not to exceed \$0.03995 per kilowatt hour, a copy of which is attached. After discussion, Director Goff moved to approve participation in the pool for a new electricity contract with a maximum rate of \$0.03995 per kilowatt hour, as discussed, and authorize Director Goff to execute the new contract. Director Cox seconded the motion, which passed unanimously.

## ENGINEER'S REPORT

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

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

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

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

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

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

Mr. Baker stated Chief Solutions, Inc. ("CS") is the contractor for this project. He stated the total project amount is \$50,549.70.

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

Mr. Baker 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 STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS

Mr. Baker discussed Harris County's request for financial assistance for the drainage improvements in the Memorial Parkway subdivision. Discussion ensued regarding the funds requested and the scope of the proposed project.

Mr. Baker 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 Harris County representative indicated the approximate amount of the request would be approximately \$5.4 million.

After discussion, the Board concurred to request a meeting with Harris County regarding the proposed improvements and associated costs.

## BOND APPLICATION NO. 8

Mr. Baker stated the draft Bond Application No. 8 application is in process.

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. Director Cox stated that West Memorial reported that they are experiencing storm water infiltration at the West Memorial Plant and is requesting that each participant, including the District, inspect its manholes. After discussion, the Board concurred to direct BGE and MDS to perform the inspection.

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

### ADMINISTRATION BUILDING SITE DRAINAGE IMPROVEMENTS

Mr. Chapline discussed options to improve drainage behind the administration building. He stated a french drain could be installed or the two dirt mounds could be removed and the area could be regraded to improve the drainage. After discussion, the Board concurred to authorize MDS to remove the two dirt mounds and regrade the affected area. The Board directed MDS to relocate the removed dirt to the water plant sites.

### SECURITY CAMERA EQUIPMENT MAINTENANCE

The Board discussed the wall damage at the administration caused by NCS when they installed the new cameras. Ms. Carner reminded the Board they previously authorized ABHR to send correspondence to NCS requesting reimbursement for the damages. Discussion ensued regarding potentially adding the cost of associated legal fees to the request. After discussion, the Board concurred to include \$250.00 in legal fees to the reimbursement request.

Ms. Johnson discussed problems with the security cameras and non-responsiveness of NCS. Discussion ensued regarding the current contract with NCS. The Board directed Mr. Baker to contact NCS to request they promptly complete the needed repairs.

Ms. Johnson stated the video recorder on the security camera located at 1412 Westgreen is not functioning. She presented and reviewed a proposal in the amount of \$4,211.67 from NCS to replace the video recorder, a copy of which is attached. Discussion ensued regarding alternate proposals. The Board concurred to defer action on the proposal.

Ms. Johnson stated the card entry equipment at the District administration building is not functioning properly. She presented and reviewed a proposal from Stanley Security to update the card entry equipment in the amount of \$11,876.19, a copy of which is attached. After discussion, Director Cathcart moved to approve the proposal from Stanley Security in the amount of \$11,876.19 for the card entry equipment replacement. Director Cox seconded the motion, which carried by unanimous vote.

Ms. Johnson presented and reviewed a proposal from Katy Blinds and Shutters in the amount of \$597.00 for the purchase and installation of two shutters for the kitchen, a copy of which is attached. The Board concurred to take no action.

GARBAGE AND RECYCLING MATTERS, INCLUDING APPROVE AMENDMENT TO RESIDENTIAL SOLID WASTE COLLECTION CONTRACT AND ADOPT AMENDED RATE ORDER

The Board discussed the annual CPI increase of \$0.50 per home. After discussion, Director Cox moved to adopt an Amended Rate Order to include the CPI increase, reflecting a residential sewage rate of \$32.69, and direct that the Amended Rate Order be filed appropriately and retained in the District's official records. Director Cathcart seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Ms. Carner distributed and reviewed a notice from the Authority regarding the Groundwater Reduction Plan fee increase to \$3.20 per 1,000 gallons of groundwater pumped and the Surface Water Fee increase to \$3.60 per 1,000 gallons of water delivered by the Authority effective January 1, 2020, a copy of which is attached.

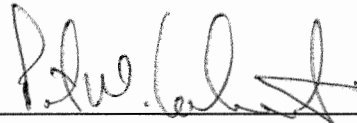
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

The Board convened in Executive Session at 7:26 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

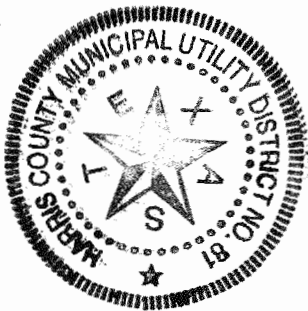
The Board reconvened in Regular Session at 7:41 p.m. After discussion, Director Brown moved to approve an adjustment to Starr Johnson's monthly compensation to reflect the change in her new insurance premiums, beginning January 1, 2020 and approve payment of holiday bonuses to District employees Doris 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

(SEAL)





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