

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

December 14, 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 14th day of December, 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, except Director Savage, thus constituting a quorum.

Also present were Greg Sissel of BKD, LLP ("BKD"); Tony Garza of Cornerstone Municipal Utility District ("Cornerstones"); Lizandro Campos 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 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 November 16, 2017, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the November 16, 2017, regular meeting. Director Cox seconded the motion, which carried by unanimous vote.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER 31, 2017

Mr. Sissel presented a proposal from BKD for preparation of the audit report for the fiscal year ending December 31, 2017, at an estimated cost of \$18,200.00, plus expenses. After discussion, Director Cathcart moved to retain BKD to prepare the District's audit report. 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 (THE "MEMORIAL PARKWAY HOA") REGARDING DEVELOPMENT OF PLAYGROUND AND OTHER RECREATIONAL FACILITIES ADJACENT TO HARRIS COUNTY HIKE AND BIKE TRAIL

The Board requested this item be removed from the agenda unless additional information is provided by the Memorial Parkway HOA.

TAX ASSESSOR/COLLECTOR REPORT

Mr. Campos reviewed the tax assessor/collector's report for the month of November, a copy of which is attached. He stated the report reflects that the District's 2017 taxes were 7.4% collected as of the end of November. After discussion, Director Cox 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.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Carner reported ABHR will file the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

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 three additional checks including check no. 14189 payable to One Call Concept, in the amount of \$45.75, and check no. 14190, in the amount of \$360.00 and check no. 14181 in the amount of \$7,649.41, both payable to ABHR.

After discussion, Director Brown moved to approve the bookkeeper's report and the checks presented for payment. Director Cathcart 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 Director Cox moved to approve the budget for fiscal year ending December 31, 2018. Director Cathcart seconded the motion which carried by unanimous vote.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE

Ms. Carner reviewed the Travel Reimbursement Guidelines for the AWBD winter conference. After discussion, Director Cathcart moved to approve reimbursement for up to two hotel nights and meals not provided by the winter AWBD conference. Director Cox seconded the motion, which carried by a 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 97.2% for November 2017.

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

Mr. Chapline reported there were seven accounts totaling \$1,305.84, deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

Mr. Chapline requested approval for the repair of the well motor at Water Plant No. 2, in the amount of \$25,700.00 and the repair of the well motor at Water Plant No. 3, in the amount of \$26,063.00. Discussion ensued regarding the repairs.

After review and discussion, Director Cathcart moved to (1) approve the operator's report; (2) write off the seven delinquent accounts totaling \$1,305.84, 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; and (3) authorize MDS to repair the well motor at Water Plant No. 2, in the amount of \$25,700.00, and the well motor at Water Plant No. 3, in the amount of \$26,063.00 and authorize MDS to submit insurance claims for same. Director Cox seconded the motion which carried by unanimous vote.

CUSTOMER REQUESTS

Ms. Carner reviewed an email from resident Michael Sheiman regarding his request for the District to assist in building a sidewalk between Cimarron and Park Timbers in the CenterPoint easement. Discussion ensued regarding the process and

requirements for the potential project, including a consent to encroachment application to CenterPoint. The Board concurred to authorize ABHR to contact Mr. Sheiman and explain the process and efforts needed for this type of project.

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 Shirley Wilson, Deanna Vincent, Christine Gosnell, Monica Molinas, Loren Dore, Deanna Martinez, Watisha Tennant requested an extension for payment of their delinquent accounts.

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 January 2, 2018, if their utility bills are not paid in accordance with the District's Rate Order, except for Shirley Wilson, Deanna Vincent, Christine Gosnell, Monica Molinas, Loren Dore, Deanna Martinez, Watisha Tennant 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.

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 received results from the water modeling study. He stated the study indicated an operational issue at Water Plant No. 3, and BGE and MDS are investigating the issue.

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 Mason Creek 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

Mr. Baker presented and reviewed three proposals for the District's storm sewer inspections. He recommended the approval of the lowest bid proposal from Chief Solutions, Inc., for the storm system inspections in the amount of \$24,000.00.

Following review and discussion, Director Cathcart moved to (1) approve the engineer's report, (2) approve the proposal from Chief Solutions, Inc., for the storm system inspections in the amount of \$24,000.00 and authorize execution of a Service Agreement for same. 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

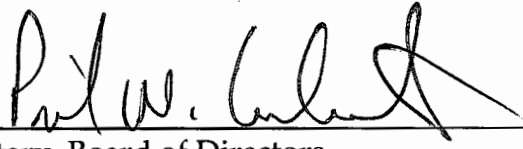
Mr. Baker stated that Preventative Services has completed the repair of the pavement near the storm drain in the parking lot of the administrative building.

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 \$2.70 per 1,000 gallons of groundwater pumped and the Surface Water Fee increase to \$3.10 per 1,000 gallons of water delivered by the Authority effective January 1, 2018, a copy of which is attached.

Director Goff requested that Ms. Johnson notify the District's website vendor of the increase for updating of the District's website.

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



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

Proposal from BKD for preparation of the audit report 1
Tax assessor/collector's report 2
Bookkeeper's report..... 2
Operations report..... 3
Engineer's report..... 4
Notice of Fee Increase from the WHCRWA..... 5