

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

December 19, 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 19th day of December, 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, a member of the public; Rose Ross of Pureway Total Compliance; Dane Turner of Best Trash, LLC; Jennifer Hanna of BKD, LLC; Sara Ahlschlager of Wheeler & Associates, Inc.; Erick Hansen, Director of West Harris County Regional Water Authority; Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Pamela Redden and Diane Bailey of McLennan & Associates, L.P. ("McLennan"); 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.

GARBAGE AND RECYCLING, INCLUDING PROPOSALS FOR COMMUNITY SHRED EVENT

Mr. Turner presented and reviewed proposals for the proposed shred event. Discussion ensued regarding pricing and available dates for the event. Mr. Turner noted that the lowest bid from Shred Pro is \$750.00, but the earliest available date for the event is in June, 2020. After discussion, the Board requested Best Trash inquire about three dates from the other two bidders for the shred event, including April 4th, 18th, and 25th and limits per person for disposal.

MINUTES

The Board considered approving the minutes of the November 21, 2019, regular meeting. After discussion, Director Cathcart moved to approve the minutes of the

November 21, 2019, regular meeting. Director Brown seconded the motion, which carried by unanimous vote.

#### TAX ASSESSOR/COLLECTOR REPORT

Ms. Ahlschlager reviewed the tax assessor/collector's report for the month of November, a copy of which is attached. She stated the report reflects that the District's 2019 taxes were 9.62% collected as of the end of November. After discussion, Director Goff 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.

#### APPROVE DRAFT NEWSLETTER, AND AUTHORIZE APPROPRIATE ACTION

Ms. Carner presented and reviewed a draft of the first quarter 2020 District newsletter, a copy of which is attached. Discussion ensued regarding additional topics to add to the newsletter. After discussion, Director Cox moved to approve the draft newsletter, as revised and authorize distribution of same. 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. Redden reviewed each District account and the bills to be paid, as well as a budget to actual comparison.

Director Goff updated the Board on the electricity pool contract and stated that the contract has been signed. He noted that the District received a 3.819¢ per kilowatt hour rate.

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

#### BUDGET FOR FISCAL YEAR END DECEMBER 31, 2020

Ms. Redden distributed and reviewed a draft budget for fiscal year end December 31, 2020, a copy of which is attached to the bookkeepers report. After discussion, Director Cathcart moved to adopt the budget for fiscal year end December 31, 2020, as revised. Director Cox seconded the motion, which carried by unanimous vote.

#### ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END DECEMBER 31, 2019

Ms. Hanna presented and reviewed an engagement letter from BKD for preparation of the audit report for the fiscal year ending December 31, 2019, at an estimated cost of \$19,000, plus expenses. After discussion, Director Cox moved to

engage BKD to prepare the District's audit report. Director Cathcart seconded the motion, which carried by unanimous vote.

#### 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.

#### 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, the Board noted no Directors plan to attend.

#### 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 97.3% for November 2019.

Mr. Chapline reported there were four accounts totaling \$685.60 deemed to be uncollectible and requested authorization to write off said accounts and turn them over to a collection agency.

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

#### CUSTOMER REQUESTS

There were no customer requests

#### 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 a letter to the District requesting the District's insurance information to file a claim for damage that allegedly occurred to their clubhouse due to a sewer line backup on August 5, 2019. Ms. Carner stated she is coordinating with the District's insurance company and the Cimarron HOA's insurance company regarding this request and the District's claim related to the removal of pool grout from the main sanitary sewer line.

## UPDATE ON FIRE HYDRANT INSTALLATION

Mr. Chapline stated the two fire hydrants have been installed.

After review and discussion, Director Cox moved to approve the operator's report and write off the four delinquent accounts totaling \$685.60, which 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.

## 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 that customers Dodnos and Dinnebeck 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 January 6, 2020, if their utility bills are not paid in accordance with the District's Rate Order, except for customers Dodnos and Dinnebeck 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

Ms. Hallaway presented the engineer's report, a copy of which is attached.

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

Ms. Hallaway stated the contractor for the natural gas generator and MMC replacement at water plant no. 4 is McDonald Municipal and Industrial ("McDonald"). She stated the total project amount is \$778,469.00.



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

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

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

Ms. Hallaway stated Chief Solutions, Inc. ("CS") is the contractor for this project. She 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

Ms. Hallaway distributed and reviewed an updated capital improvement plan ("CIP"), a copy of which is attached to the engineer's report. She stated BGE has included the budget items for the West Memorial wastewater treatment plant.

REQUEST FROM HARRIS COUNTY ("COUNTY") REGARDING STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS

Ms. Hallaway discussed the County's request for financial assistance for the drainage improvements in the Memorial Parkway and Cimarron subdivisions. Discussion ensued regarding the funds requested, the meeting held this week with the County Engineering Department regarding same, and funding options for the project.

The Board then discussed correspondence to the County regarding the District's interest in participating in the Memorial Parkway and Cimarron subdivisions, subject to funding availability and the terms discussed.

BOND APPLICATION NO. 8

Ms. Hallaway stated Bond Application No. 8 will be submitted before the end of the year.

Following review and discussion, Director Cox moved to approve the engineer's report and authorize ABHR and BGE to submit a letter to the County in support of the drainage improvements for Memorial Parkway and Cimarron subdivisions, subject to

the terms as discussed. Director Cathcart 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 AND EMPLOYMENT MATTERS

ADMINISTRATION BUILDING SITE DRAINAGE IMPROVEMENTS

Mr. Chapline updated the Board on the status of the drainage improvements.

SECURITY CAMERA EQUIPMENT MAINTENANCE

Ms. Carner updated the Board on NCS's damage to the administration building walls. She stated that NCS has agreed to pay for the repairs to the walls.

Ms. Johnson discussed concerns with the security cameras and equipment. She stated that NCS came out to inspect the cameras, but she has not received any additional information. The Board requested BGE to follow up with NCS.

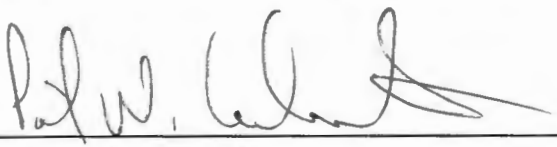
WEST HARRIS COUNTY REGIONAL WATER AUTHORITY ("AUTHORITY")

Ms. Carner reviewed correspondence from the Authority regarding its Board of Directors election procedures. Mr. Hansen discussed pending Authority projects.

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

(SEAL)



  
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Secretary, Board of Directors

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