

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

June 15, 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 15th day of June 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 Pam Redden of McLennan & Associates, LP; Aaron Orozco 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 May 25, 2023, regular meeting. After discussion, Director Olsen moved to approve the minutes of the May 25, 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 May 2023. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2022 taxes were 97.50% collected as of the end of May.

Ms. Mata stated the District's preliminary value from Harris Central Appraisal District is \$880,016,348.00.

After discussion, Director Cox 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.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing its delinquent tax attorney to proceed with the collection of delinquent taxes owed to the District as of July 1, 2023, including assessment of the 20% penalty for the collection of delinquent taxes as authorized by the Property Tax Code. After discussion, Director Cox moved to authorize the delinquent tax attorney to proceed with collection of the 2022 delinquent taxes as of July 1, 2023. Director Olsen seconded the motion, which carried by unanimous vote.

GARBAGE AND RECYCLING MATTERS, INCLUDING RENEWAL OF RESIDENTIAL SOLID WASTE COLLECTION CONTRACT, AND DISCUSS FALL SHRED EVENT

Ms. Carner stated the current garbage and recycling contract with Best Trash will automatically renew for three years in October 2023.

Discussion ensued regarding a fall shred event, and the Board concurred to reserve October 14, 2023, for the event.

BOOKKEEPER'S REPORT, INCLUDING ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

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.

Ms. Redden presented one additional check, check no. 2364, in the amount of \$45.00, payable to Doris Vogt for reimbursement of alarm response at the District administration building on June 11th.

Director Goff inquired about check nos. 2344 and 2345 and noted both checks are deposit refunds payable to the same person and for the same amount. Ms. Redden and Mr. Chaplin stated they will look into a possible duplication.

After review and discussion, Director Cox moved to approve the bookkeeper's report the checks presented for payment including the one additional check, as presented. Director Brown 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 95.2%.

Mr. Chapline requested approval to write off five accounts totaling \$11,123.71, deemed uncollectible, and submit same to a collections agency.

Ms. Carner discussed an email security incident with an employee's email at the District administration building. Mr. Chapline stated the email account was disabled immediately and the password was reset. Discussion ensued. Ms. Carner presented and reviewed a proposal from Calian/Palo Alto to provide forensic services to investigate the incident in the amount of \$20,000.00. Ms. Carner stated once the District is aware of the information that was accessed, additional steps can be taken if needed. The Board discussed potential e-discovery and notification services that may be required.

Ms. Carner then discussed annual cybersecurity training for the District employees and requested the training be completed as soon as possible. The Board also requested that ABHR obtain a proposal for cyber liability insurance.

Mr. Chapline discussed landscaping near the administration building. Discussion ensued regarding the purchase and planting of shrubs and potential costs of same. After discussion, the Board concurred to authorize an amount not to exceed \$2,500.00, for MDS to purchase and plant shrubs near the administration building.

PROPOSAL FOR DISTRICT MAGNETS

There was no discussion on this matter.

UPDATE ON WATER WELL NO. 1 REHABILITATION

Mr. Chapline stated the parts for the water well no. 1 repair have been delivered and the repair is should be underway shortly.

RENEWAL OF EMERGENCY WATER INTERCONNECT AGREEMENT WITH NOTTINGHAM MUNICIPAL UTILITY DISTRICT

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

After discussion, Director Olsen moved to (1) approve the operator's report; (2) authorize MDS to write off five accounts totaling \$11,123.71 and forward the accounts to collections; (3) approve the proposal from Calian/Palo Alto in the amount of \$20,000.00 for the forensic investigation of information accessed during the email breach and approve a related service agreement; and (4) authorize the Board President to

approve a service agreement for an amount not to exceed 20,000.00 for e-discovery and notification services, s needed. Director Brown seconded the motion, which passed by unanimous vote.

TERMINATION OF SERVICE

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, the Board concurred not to terminate delinquent accounts due to the rescheduling of this months' meeting.

ENGINEER'S REPORT

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

PARK YORK FORCE MAIN REPLACEMENT

Mr. Orozco stated that BGE is currently preparing the plans for this project.

HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS, INCLUDING ADDITIONAL DETENTION/MITIGATION

Mr. Orozco stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway. He stated that Harris County is coordinating with the US Army Corps of Engineers for their acceptance of the proposed design.

Mr. Orozco 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.

SANITARY SEWER REHABILITATION FOR MEMORIAL PARKWAY, SECTIONS 3, 4, AND 5

Mr. Orozco stated that BGE has reviewed the televised lines and recommended an extensive rehabilitation of the system. He stated the recommended repairs have an estimated cost of \$1,286,000.00. Mr. Orozco then presented and reviewed a proposal from BGE in the amount of \$131,825.52 for design services for the project. After discussion, the Board deferred action on this item.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Mr. Orozco stated CSE W-Industries, Inc. ("CSE") is the contractor for the generator replacement project. He 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

Mr. Orozco presented and reviewed a proposal from BGE in the amount of \$63,000.00, for design services related to cleaning and televising for Cimarron, Sections 1-3 and Memorial Parkway, Sections 6-8. He noted that BGE recommends combining the sections to reduce the overall costs.

UPDATE ON BOND APPLICATION NO. 9, INCLUDING ADOPT RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECT AND BONDS

Mr. Orozco stated BGE is currently finalizing bond application no. 9.

Following review and discussion, and based on the engineer's recommendation, Director Brown moved to (1) approve the engineer's report; and (2) approve the proposal from BGE in the amount of \$63,000.00, for design services for the sanitary sewer rehabilitation for Cimarron, Sections 1-3 and Memorial Parkway, Sections 6-8. 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 updated the Board on the West Memorial sewer plant improvements.

OPERATION, REPAIR, AND MAINTENANCE AND RENTAL OF ADMINISTRATIVE OFFICE AND DISTRICT WEBSITE, COMMUNICATION, AND EMPLOYMENT MATTERS, INCLUDING APPROVE QUARTERLY DISTRICT NEWSLETTER

Ms. Vogt stated gutter replacement is needed at the administration building and fence replacement is needed where the garbage cans are stored.

Discussion ensued regarding tree trimming needed at water plant no. 1.

Discussion ensued regarding the District administration building roof and recent hail storms.

After discussion, Director Cathcart moved to (1) authorize Ms. Vogt to solicit a proposal for gutter replacement; (2) authorize City Maintenance to remove the damaged fencing where the garbage cans are stored; (3) authorize MDS to trim the trees at water plant no. 1; and (4) authorize inspection of the District administration building roof. Director Olsen seconded the motion, which carried by unanimous vote.

APPROVE QUARTERLY DISTRICT NEWSLETTER

The Board reviewed a draft quarterly District newsletter. After discussion Director Goff moved to approve the District newsletter, with the revisions, as discussed. Director Cox seconded the motion, which carried by unanimous vote.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

Ms. Carner stated the Harris-Galveston Subsidence District has requested clarification on the District's participation in the Water Wise program for the 2023-2024 year. After discussion, the Board requested ABHR to notify them that the District is interested in to sponsoring a registered school in or near the District.

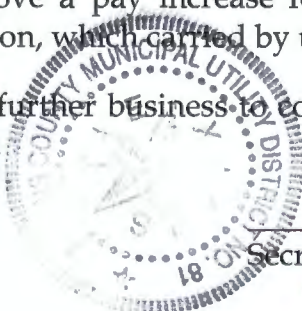
CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.074, TEXAS GOVERNMENT CODE, TO DELIBERATE THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE, OR DISMISSAL OF A PUBLIC OFFICER OR EMPLOYEE

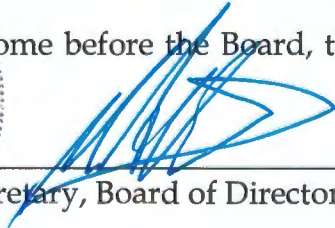
The Board convened in Executive Session at 7:04 p.m. pursuant to Section 551.074, Texas Government Code, to deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee. Ms. Carner and Ms. Cannon were also present.

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 7:11 p.m. After discussion, Director Olsen moved to approve a pay increase for Stacy Lightsey, as discussed. Director Brown second 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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