

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

June 16, 2022

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 June 2022, 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 except Directors Goff and Cox, thus constituting a quorum.

Also attending the meeting were Christie Leighton of Best Trash, LLC; Pam Redden and Renee Butler of McLennan & Associates, L.P. ("McLennan"); Ryan Fortner of Revenue Management Services ("RMS"); Kate Hallaway of BGE, Inc. ("BGE"); Charlie Chapline of Municipal District Services, L.L.C. ("MDS"); Doris Vogt, District employee; 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 26, 2022, regular meeting. After discussion, Director Olsen moved to approve the minutes of the May 26, 2022, regular meeting. Director Brown seconded the motion, which passed by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

The Board reviewed the tax assessor/collector's report for the month of May 2022. A copy of the tax assessor report is attached. Ms. Carner stated the report reflects that the District's 2021 taxes were 96.6% collected as of the end of May. After discussion, Director Olsen moved to approve the tax assessor/collector's report and pay

the bills from the tax account. Director Brown 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, 2022, including assessment of the 20% penalty for the collection of delinquent taxes as authorized by the Property Tax Code. After discussion, Director Olsen moved to authorize the delinquent tax attorney to proceed with collection of the 2021 delinquent taxes as of July 1, 2022. Director Brown seconded the motion, which carried by unanimous vote.

REPORT FROM REVENUE MANAGEMENT SERVICES ON BUSINESSES PAYING SALES TAX

Mr. Fortner distributed and reviewed the updated sales tax report, a copy of which is attached. After discussion, Director Olsen moved to approve the sales tax report. Director Brown seconded the motion, which carried by unanimous vote

GARBAGE AND RECYCLING MATTERS

Ms. Leighton discussed garbage and recycling matters. She then presented a proposal for a fuel fee increase to the Best Trash garbage and recycling contract, a copy of which is attached. She stated the increase is calculated as 5% for every \$0.25 over \$3.25 per gallon for diesel fuel. She noted when fuel prices fall below \$3.25 per gallon, the fees will be removed. After discussion, the Board concurred to defer action to next month's meeting.

Ms. Leighton distributed and reviewed the shred event report for the April event and stated 1.30 tons of material was recycled. A copy of the shred event report is attached. Discussion ensued regarding a fall shred event, and the Board concurred to reserve October 15, 2022, for the event.

BOOKKEEPER'S REPORT

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

Ms. Butler presented one additional check in the amount of \$267.95, payable to Ms. Vogt for the reimbursement of the Board meeting food.

Ms. Butler updated the Board and stated the invoice from Harris County for election services in the amount of \$14,655.16 was verified and the check was released.

After review and discussion, Director Brown moved to approve the bookkeeper's report and the checks presented for payment, including the one additional check, as discussed. Director Olsen 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 92.4%.

Mr. Chapline stated that Si Environmental requested that the interconnect between Cimarron Municipal Utility District ("Cimarron") and the District be opened while their well is being repaired. He stated MDS has no concerns with opening the interconnect, but they will close the interconnect if needed if water demand so warrants.

Mr. Chapline discussed the water plant landscape maintenance and stated the irrigation systems are in need of repairs. Discussion ensued regarding the cost of the repairs.

UPDATE ON REPAIRS OF ADMINISTRATION BUILDING SIDEWALKS AND LANDSCAPE RESTORATION

There was no discussion on this matter.

After discussion, Director Olsen moved to (1) approve the operator's report; (2) authorize MDS to open the interconnect with Cimarron, as requested; and (3) authorize MDS to repair the irrigation systems at all 4 water plants in a total amount not to exceed \$4,000.00. Director Brown seconded the motion, which passed 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. Vogt 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. Ms. Vogt stated one customer, Cadden, requested an extension for payment of their delinquent accounts. She requested that the Board authorize her to enter into additional payment arrangements with customers through June 23, 2022, due to the early meeting date.

Following review and discussion, Director Olsen moved (1) to authorize Ms. Vogt to enter into payment arrangements with qualifying customers who submit requests on or before June 23, 2022, and (2) 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 June 29, 2022, if their utility bills are not paid in accordance with the District's Rate Order, except for customer Cadden, 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 by unanimous vote.

APPROVE DISTRICT NEWSLETTER

The Board reviewed the draft quarterly District newsletter. After discussion, Director Brown moved to approve the quarterly District newsletter, subject to final review. Director Olsen seconded the motion, which carried by unanimous vote.

ENGINEER'S REPORT

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

CAPITAL IMPROVEMENT PLAN ("CIP")

Ms. Hallaway stated BGE has completed the revised CIP, a copy of which is attached to the engineer's report.

MEMORIAL PARKWAY, SECTIONS 1 AND 2, SANITARY SEWER LINE REHABILITATION

Ms. Hallaway stated that Texas Pride Utilities is the contractor for this project. She requested approval of Pay Estimate No. 4 in the amount of \$49,881.96.

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

Ms. Hallaway presented a proposal from BGE in the amount of \$35,000.00, for the preparation of the plans for the cleaning and television of Memorial Parkway, Sections 3, 4, and 5 sanitary sewer lines. Discussion ensued.

PARK YORK FORCE MAIN REPLACEMENT

Ms. Hallaway stated BGE is currently preparing the plans and specifications for the relocation of the Park York force main.

WATER PLANT NO. 2 WELL REHABILITATION

Ms. Hallway stated C&C Water Services ("C&C") is the contractor for the well rehabilitation at water plant no. 2. She stated C&C has presented Change Order No. 1 in the amount of \$20,923.00 to cover bonding for the project. The Board determined Change Order No. 1 is beneficial to the District.

HARRIS COUNTY STORM SEWER AND DRAINAGE FACILITY IMPROVEMENTS, INCLUDING ADDITIONAL DETENTION/MITIGATION AND JOINT PARTICIPATION INTERLOCAL AGREEMENT

Ms. Hallaway stated that BGE currently is under contract with Harris County for the design of the drainage improvements for Memorial Parkway and Cimarron Sections 2, 3, 4 and 5. Ms. Carner stated the District has received the draft Interlocal Agreement for the Memorial Parkway project. She then reviewed recommended changes to the Interlocal Agreement.

Ms. Hallaway stated that Harris County has re-bid the Cimarron Sections 2, 3, 4 and 5 drainage improvement project. She noted this delay will impact the start date for the work.

WATER PLANT NOS. 1, 2 AND 4 GROUND STORAGE TANK ALTERNATE FILL LINE INSTALLATION

Ms. Hallaway stated the contractor for the water plant nos. 1, 2 and 4 ground storage tank fill line installation is Blastco Texas, Inc.

DISINFECTION SYSTEM UPGRADES AT WATER PLANT NOS. 1, 2, 3 AND 4

Ms. Hallaway stated that W. W. Payton Inc. is the contractor for this project. Ms. Hallaway requested approval of Pay Estimate No. 2 in the amount of \$213,275.00.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Ms. Hallaway stated BGE has completed the qualification review on the low bidder, CSE W- Industries, Inc. ("CSE"), for the well rehabilitation project in the amount of \$444,019.00 and recommends award of the contract to CSE. The Board determined that CSE is a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project on behalf of the District. Ms. Carner reminded the Board that she would send a notice letter to the Texas Commission on Environmental Quality to use surplus bond funds for this project, as previously authorized by the Board.

UPDATE ON BOND APPLICATION NO. 9

Ms. Hallaway stated BGE is currently preparing bond application no. 9 and will be able to complete preparation once the Memorial Parkway drainage improvements Interlocal Agreement is finalized.

Following review and discussion, and based on the engineer's recommendation, Director Olsen moved to (1) approve the engineer's report; (2) approve Pay Estimate

No. 4 in the amount of \$49,881.96, payable to Texas Pride Utilities; (3) approve the proposal from BGE in the amount of \$35,000.00, for the preparation of the plans for the cleaning and television of the Memorial Parkway sanitary sewer lines, Sections 3, 4 and 5; (4) approve the Interlocal Agreement with Harris County for the Memorial Parkway drainage project, subject to final review and direct that the Agreement be filed appropriately and retained in the District official records; (5) approve Pay Estimate No. 2 in the amount of \$213,275.00, payable to W.W. Payton; (6) award the contract to CSE for the emergency generator replacement in the amount of \$444,019.00, subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor; and (7) approve Change Order No. 1 in the amount of \$20,293.00, payable to C&C, based on the Board's finding that the Change Order is beneficial to the District. Director Brown seconded the motion, which passed by unanimous vote.

WEST MEMORIAL MUNICIPAL UTILITY DISTRICT ("WEST MEMORIAL")
SEWAGE TREATMENT PLANT MEETING AND PROPOSED PLANT
IMPROVEMENTS

There was no discussion on this matter.

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

Ms. Vogt stated the landscaping behind the District administration building rear parking lot needs improvement and requested authorization to solicit bids for same. The Board concurred to authorize the solicitation of bids for the landscape improvements.

Ms. Vogt stated that Chem Tec submitted a proposal for termite inspection in the amount of \$140.73 annually. A copy of the proposal is attached.

Following review and discussion, Director Olsen moved to approve the proposal from Chem Tec in the amount of \$140.73 per year for annual termite inspections. Director Brown seconded the motion, which carried by unanimous vote.

DISCUSS DISTRICT ADMINISTRATION BUILDING RENTAL POLICIES

There was no discussion on this matter.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

There was no discussion on this matter.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS
GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH

ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board convened in executive session at 7:18 p.m. Ms. Carner and Ms. Cannon were present.

RECONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

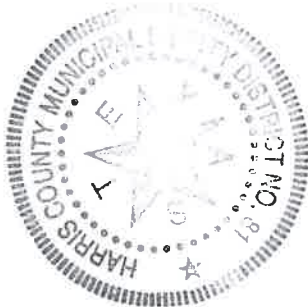
The Board reconvened in open session at 7:35 p.m. The Board did not take action.

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
	<u>Page</u>
Tax assessor/collector's report	1
RMS Sales Tax Update	2
Best Trash fuel increase letter request.....	2
Shred event report	2
Bookkeeper's report.....	2
Operator's report.....	3
Engineer's report.....	4
Chem Tec proposal	6