

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

August 24, 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 24th day of August, 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 Rex and Jamie Bloxom, residents of the District; Joe Hallmark of BJ Concepts; Renee Butler of McLennan & Associates, LP; Kate Hallaway 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

Ms. Bloxom addressed the Board and complained regarding the four odor from the lift station on Park York near her home. Mr. Chapline discussed the current order control mechanism at the lift station and stated there are additional options to try to reduce the odor. The Board requested Mr. Chapline investigate options for additional odor control and report back to the Board.

MINUTES

The Board considered approving the minutes of the July 27, 2023, regular meeting. After discussion, Director Olsen moved to approve the minutes of the July 27, 2023, regular meeting, as revised. Director Cox 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 July 2023. A copy of the tax assessor report is attached. Ms. Mata stated the report reflects that the District's 2022 taxes were 97.88% collected as of the end of July.

After discussion, Director Brown moved to approve the tax assessor/collector's report and pay the bills from the tax account. Director Cox seconded the motion, which passed by unanimous vote.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

There was no discussion on this matter.

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 stated that the per diem checks issued to directors at today's meeting did not include the increase approved at last month's meeting and noted that next month's per diem checks will include the additional amount owed to directors.

Director Goff inquired about the invoice from MDS for an isolation valve relocation located on Indian Ridge in the amount of \$4,600.00. Mr. Chapline stated this will be back-charged to Harris County because it was a repair related to the Cimarron drainage project.

ADOPT RESOLUTION EXPRESSING INTENT TO REIMBURSE

There was no discussion on this matter.

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

PROPOSAL FOR CYBER LIABILITY INSURANCE

Ms. Carner reviewed three Cyber Liability insurance proposal options from McDonald Wessendorff. After discussion, Director Olsen moved to approve option 2 for cyber liability insurance. Director Goff seconded the motion, which carried 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 98%.

Mr. Chapline requested approval to write off eight accounts totaling \$2,701.09, deemed uncollectible, and submit same to a collection's agency.

Mr. Chapline discussed the District's Drought Contingency Plan ("DCP"). Ms. Carner noted that the West Harris County Regional Water Authority has implemented Stage I of their DCP. She stated drought conditions have continued to worsen. Discussion ensued.

Mr. Chapline reviewed the fire hydrant survey results and a proposal for recommended repairs, a copy of which is attached to the operator's report. Discussion ensued regarding a rotation schedule for the cleaning and repainting of the District's fire hydrants going forward. Director Goff left the meeting.

RENEWAL OF EMERGENCY WATER INTERCONNECT AGREEMENT WITH NOTTINGHAM MUNICIPAL UTILITY DISTRICT

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

UPDATE ON DISTRICT COMPUTER SYSTEM AND EMAIL MATTERS AND AUTHORIZE APPROPRIATE ACTION

Mr. Chapline discussed the District's request for MDS to have access to the District's domain for the website for immediate access in the event of a cyber security breach. Mr. Hallmark noted the concerns with too many entities having access to the domain website. Discussion ensued.

After discussion, Director Olsen moved to (1) approve the operator's report; (2) authorize MDS to write off eight accounts totaling \$2,701.09 and forward the accounts to collections; (3) authorize MDS to install reflectors on 72 fire hydrants in the amount of \$1,035.36 and approve recommended fire hydrant repairs in the amount of \$7,095.50, as discussed; and (4) authorize implementation of Stage I of the District's DCP, as recommended. Director Cox 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. 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, Director Olsen 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, 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 Cox seconded the motion, which passed by unanimous vote.

ENGINEER'S REPORT

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

PARK YORK FORCE MAIN REPLACEMENT

Ms. Hallaway stated that BGE is currently preparing the plans for this project. Ms. Carner stated that ABHR is investigating whether there is an existing easement in the Harris County Flood Control Channel.

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

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

Ms. Hallaway 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. Ms. Hallaway noted that Harris County has updated the construction schedule, a copy of which is attached to the engineer's report. Ms. Carner stated she would have the updated schedule posted to the District's website.

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

Ms. Hallaway stated that BGE has reviewed the televised lines and recommended an extensive rehabilitation of the system. She stated the recommended repairs will cost approximately \$1,286,000.00.

WATER PLANT NO. 2 GENERATOR REPLACEMENT

Ms. Hallaway stated CSE W-Industries, Inc. ("CSE") is the contractor for the generator replacement project. She 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

Ms. Hallaway stated that BGE has begun the plans and specifications for the sanitary sewer line rehabilitation of Cimarron, Sections 1, 2 and 3 and the Memorial Parkway, Sections 6, 7, and 8.

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

Ms. Hallaway stated BGE is currently finalizing bond application no. 9. She reviewed a proposed debt service tax rate/bond issue analysis prepared by the District's financial advisor, a copy of which is attached to the engineer's report. Discussion ensued regarding the capital improvement projects potential impact on the tax rate for the proposed \$12,490,000 bond issue.

The Board considered adopting a Resolution Authorizing Application to the Texas Commission on Environment Quality ("TCEQ") for Approval of Project and Bonds. Discussion ensued.

AUTHORIZE ENGINEER AND OPERATOR TO PREPARE THE 5-YEAR EVALUATION IN ACCORDANCE WITH SENATE BILL 902

Ms. Carner stated that the District has an annual electricity expense of \$200,000 or more and is required to prepare a report on the District's electricity consumption and energy efficiency measures this year and every five years thereafter. Discussion ensued.

Following review and discussion, and based on the engineer's recommendation, Director Brown moved to (1) approve the engineer's report; (2) adopt the Resolution Authorizing Application to the TCEQ for Project and Bonds and direct that the Resolution be filed and retained in the District's official records; and (3) authorize the District's engineer and operator to prepare a report on electricity consumption and energy efficiency measures. 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

Ms. Lightsey stated that the Nottingham Country Garden Club was able to find a District resident to sign the rental agreement for the rental of the District administration building meeting room for their monthly meetings.

Ms. Lightsey stated that Polar Express has replaced the kitchen air conditioner and thermostat.

GUTTER REPLACEMENT PROPOSAL

Ms. Lightsey stated a gutter proposal will be requested once the roof repair/replacement is addressed.

ROOF CLAIM STATUS AND REPAIRS OR REPLACEMENT

Ms. Lightsey stated the roof of the District administration building was inspected. She stated that TAG Roofing and Restoration ("TAG") stated that the additional buildings on the property should be inspected prior to submitting an insurance claim. The Board concurred.

GRANITE COUNTER REPAIR PROPOSAL IN KITCHEN

Ms. Lightsey stated the granite countertop in the kitchen is cracked. She stated that City Maintenance will prepare a bid to repair the granite countertop for review at next month's meeting.

AUTHORIZE PREPARATION OF QUARTERLY DISTRICT NEWSLETTER

The Board discussed the quarterly District newsletter and articles to include. After discussion, the Board concurred to authorize preparation of the quarterly District newsletter.

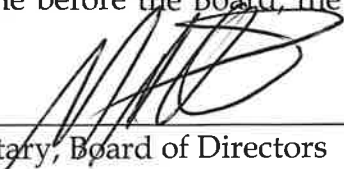
The Board discussed dates and meeting times for the December Cinco Plant Operating Committee meeting, the Cinco Regional Sewage Treatment Plant ("STP") meeting, and the regular District meeting. After discussion, the Board concurred to schedule the Operating Committee meeting on December 7, 2023, at 6:00 p.m., the regular December District meeting on December 14, 2023, at 5:30 pm, the STP meeting

at 6:30p.m. and the holiday party at 7:00 p.m, contingent upon the Operating Committees approval of same.

WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

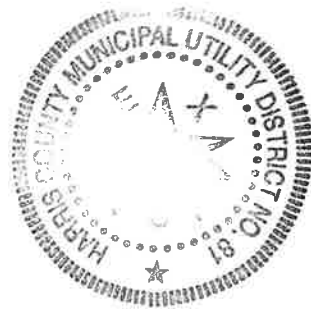
There was no discussion on this matter.

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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