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

May 24, 2007

The Board of Directors 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 Dr., Katy, Texas 77450, inside the boundaries of the District, on the 24th day of May, 2007, and the roll was called of the duly constituted members of the Board of Directors, to-wit:

Jennifer Labourdette	President
John Savage	Vice President
Patrick Cathcart	Secretary
George Goff	Treasurer
Eric Hansen	Assistant Secretary

and all of said persons were present except Director Hansen, thus constituting a quorum.

Also present were Robin Humphrey of Wheeler & Associates, Inc. ("Wheeler"); Shirley McLennan of McLennan & Associates, L.P. ("McLennan"); Doug Baker of Brown & Gay Engineers, Inc. ("B&G"); Dusty Lane and Joe Calderon of ECO Resources, Inc. ("ECO"); Donna Brown, recording secretary; Joyce Steward and Rose Ross, District employees; and Susan Edwards of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the April 26, 2007, meeting. After discussion, Director Cathcart moved that the Board approve the minutes of the April 26, 2007, meeting. Director Savage seconded the motion, which passed by unanimous vote. The Board deferred action on the minutes of the May 10, 2007, meeting; pending receipt.

AUTHORIZE FILING OF THE AUDIT AND MATERIAL EVENT NOTICE WITH THE STATE INFORMATION DEPOSITORY IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15C2-12

Ms. Edwards explained that SEC Rule 15c2-12 requires the District to file updated financial information and operating data on an annual basis with the State

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Information Depository. Ms. Edwards explained year the District must file its audit no later than June 30, 2007. Ms. Edwards reported that this year the District is also required to file a Material Event Notice to provide notice of the District's refunding bond sale and bond defeasance. After discussion, Director Savage moved that the Board authorize filing of the Annual Report and Material Event Notice in accordance with SEC Rule 15c2-12 and the District's Continuing Disclosure of Information Agreements. Director Cathcart seconded the motion, which was approved by unanimous vote.

TAX ASSESSOR/COLLECTOR REPORT

The Board next received the tax assessor/collector's report for the month. Ms. Humphrey reviewed the written report, a copy of which is attached hereto. Ms. Humphrey reported that the District's 2006 taxes are 94.53% collected. After discussion, Director Goff moved that the Board approve the tax assessor/collector's report and pay the bills. Director Savage seconded the motion, which carried by unanimous vote.

BOOKKEEPER REPORT

The Board next received the bookkeeper's report, a copy of which is attached hereto. Ms. McLennan reviewed each District account and the bills to be paid, as well as a budget to actual comparison, and the debt service requirements. She also reviewed the District's investments with the Board, including the interest rates on the District's investments and the investment report, a copy of which is attached hereto.

Director Cathcart moved that the Board approve the bookkeeper's report, pay the bills, and approve the Investment Report. Director Goff seconded the motion, which passed unanimously.

REPORT ON COLLECTION OF BACKCHARGES FROM SOUTHWESTERN BELL TELEPHONE COMPANY

Ms. Edwards reported that Mary Elizabeth Duff collected the backcharges Southwestern Bell Telephone Company owed the District. Ms. Edwards reported that Mary Elizabeth Duff will submit an invoice to the District for the collection services.

OPERATOR'S REPORT

Mr. Lane reviewed a written operations report, a copy of which is attached, with the Board. Mr. Lane reported that the District's water billed versus produced ratio was 97% for the period ending April 12, 2007.

Mr. Calderon reported that Bonnie Verret, of 1438 Country Park Drive, told him she might attend the meeting to dispute the disconnect fee and additional deposit to reconnect her account after termination for non-payment. Mr. Calderon also reported that Bill Stokes, of 21743 Park Bend, sent a letter to the District requesting

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reimbursement for replacement of a water line on his side of the meter. A copy of the letter from Mr. Stokes is attached. Mr. Calderon reported that ECO inspected the lines at Mr. Stokes' residence and found the leak to be on his side of the meter. Mr. Calderon reported that Mr. Stokes replaced the water line, however, the leak continued after these repairs were complete and that Mr. Stokes' neighbor also had a water line leak on his side of the meter. Mr. Calderon reported that Mr. Stokes is requesting reimbursement for the cost to replace the water line at his residence because he believes that the repairs were not necessary and the repairs were performed based on advice from the ECO representative. After discussion, the Board concurred to deny the request and suggested that Mr. Stokes attend a Board meeting to discuss this situation with the Board if he has additional questions.

After discussion, Director Savage moved that the Board approve the operator's report. Director Cathcart seconded the motion which passed unanimously.

WATER SERVICE TERMINATION

The Board next conducted a hearing regarding termination of water and sewer services. Ms. Steward then informed the Board that all of the residents on the attached 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 no one had requested an extension for payment of a delinquent account, except Shirley Wilson and Robin Gray. Director Savage moved 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 residents on the list, except Shirley Wilson and Robin Gray, should be terminated if their utility bills are not paid in accordance with the District's Rate Order. Director Cathcart seconded the motion, which passed unanimously.

The Board concurred to approve a payment plan with Ms. Wilson to pay \$75 per month plus her monthly water bill.

REVIEW GARBAGE COLLECTION SERVICES

The Board discussed the garbage collection services and directed Ms. Steward to obtain a proposal from WCA Waste Corporation of Texas ("WCA") for garbage services plus recycling and invite a WCA representative to attend the next meeting.

ENGINEER'S REPORT

Mr. Baker presented the engineer's report, a copy of which is attached as an exhibit to these minutes.

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APPROVE PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE, AS APPROPRIATE, FOR REPLACEMENT OF PLUMBING AT THE ADMINISTRATIVE OFFICE BUILDING

Mr. Baker reported on construction of the plumbing replacement at the Administrative Office Building and reported that M. Scott Construction did not submit any pay estimates at this time. Mr. Baker reported that M. Scott Construction will provide a cost estimate to adjust the fire sprinkler system and the emergency exit signs, per the Fire Marshal's order. Mr. Calderon reported that the gas regulator on the generator clogged and will require a certified plumber to perform the repairs. Mr. Calderon reported that the security alarm did not function when the power was lost recently and that Sonitrol will test the alarm and also perform an inspection of the fire alarm system to comply with the Fire Marshall's Order next Wednesday. After discussion, Director Savage moved to delegate to Director Goff the authority to approve any change order to the contract with M. Scott Construction for work necessary to comply with the Fire Marshal's order. Director Goff seconded the motion, which carried by unanimous vote.

REPORT ON CINCO PLANT IMPROVEMENTS CONTRACT

Mr. Baker reported that R.P. Constructors, Inc., submitted Pay Estimate No. 11 in the amount of \$108,265.61 which was approved for payment.

APPROVE PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE, AS APPROPRIATE, FOR CONSTRUCTION OF WATER WELL NO. 2 REPLACEMENT

Mr. Baker reviewed and recommended that the Board approve Pay Estimate No. 6 in the amount of \$109,980.00 to W. W. Payton, Inc., for construction of water well no. 2 replacement. After discussion, Director Savage moved that, based on the engineer's recommendation, the Board approve Pay Estimate No. 6 to W.W. Payton, Inc. Director Goff seconded the motion, which carried by unanimous vote.

APPROVE PAY ESTIMATES, CHANGE ORDERS, AND/OR FINAL ACCEPTANCE, AS APPROPRIATE, FOR EMERGENCY REPAIRS TO WATER WELL NO. 4

Mr. Baker reviewed and recommended that the Board approve payment to Alsay, Incorporated in the amount of \$121,122.00 for emergency repairs to water well no. 4. After discussion, Director Savage moved that, based on the engineer's recommendation, the Board approve payment to Alsay, Incorporated in the amount of \$121,122.00. Director Goff seconded the motion, which carried by unanimous vote.

DISCUSS SIDEWALK REPAIRS

The Board did not discuss sidewalk repairs.

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REPORT ON WEST MEMORIAL MUNICIPAL UTILITY DISTRICT SEWAGE TREATMENT PLANT MEETING

Director Labourdette reported on the West Memorial Municipal Utility District Sewage Treatment Plant (the "West Memorial Plant") meeting. Director Labourdette reported that West Memorial Plant approved an increase of \$.75 per connection per month for its fiscal year beginning July 1, 2007, because of the increased cost of chemicals for odor control.

USE OF ADMINISTRATIVE OFFICE BUILDING

The Board concurred to refurbish the exterior doors once a year and Ms. Steward reported that she will contact the company that refurbished the doors last time.

REVIEW AND APPROVE RENEWAL OF INSURANCE POLICIES

The Board reviewed the District's insurance policies with Anco-McDonald Waterworks Insurance Services, L.L.C. ("Anco"), and noted that the current policies expire June 1, 2007. After discussion, Director Savage moved that the Board accept the insurance policies with Anco for the District's property, boiler and machinery, commercial general liability and hired car and non ownership automobile liability, directors and officers liability, umbrella, public employee blanket crime, directors position schedule bond, tax assessor/collector bond, worker's compensation, and business travel coverage. Director Goff seconded the motion, which carried by unanimous vote. A copy of the insurance proposal is attached to the minutes.

OTHER MATTERS

Director Labourdette reported that she will be out of town on June 28, 2007, and Director Cathcart will attend the West Memorial Plant meeting in June.

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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