

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
October 24, 2023

The Board of Directors of Harris County Municipal Utility District No. 61 met at 1825 N. Mason Road, Katy, Harris County, Texas 77449 on October 24, 2023, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

Wheeler BeMent, President
Billy Lowery, Vice-President
W.R. Lusby, Secretary
Floyd J. Ball, Assistant Secretary
William Evans, Director

And all of said persons were present, thus constituting a quorum.

Also present were Jonathan Liu of A&S Engineers, Inc. ("A&S"); Lonnie Wright and Claudia Garza of Municipal Operations & Consulting, Inc. ("MOC"); Vanessa Hernandez of Myrtle Cruz, Inc.; Miranda Burks of Wheeler & Associates, Inc.; Richard Martin and Evan Martinez of First Erosion Environment Controls ("FEEC"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Gregg Nady, member of the public; Jerry Pettit, resident; and David Marks and Jacquelyn Gomez of Marks Richardson PC ("MRPC").

The President called the meeting to order.

As the first order of business, the Board considered comments from members of the public. Mr. Pettit addressed the Board and asked questions regarding water meters in the District.

Mr. Nady then addressed the Board regarding the status of the proposed hike and bike trail. He stated that the project is currently pending and that there will be a meeting for discussion and expectations in November. Mr. Nady stated that Harris County has agreed to match an amount of approximately \$230,000 and that by the end of the third quarter of 2025, a matching grant may need to be submitted to Harris County.

The Board next considered approval of the minutes of the Board of Directors meeting held on September 26, 2023. After discussion, Director Lusby made a motion to approve the minutes of the meeting held on September 26, 2023, as presented. Director Lowery seconded the motion, which unanimously carried.

The Board next considered a report relative to security patrol services provided by the Harris County Sheriff's Office. Director Lowery reported on activity in the District for the month of September. He stated that there have been a large number of traffic stops made by HCSO.

The Board next conducted a public hearing relative to the District's proposed 2023 debt service tax rate and maintenance tax rate. Ms. Burks reported that Wheeler had published the tax rate publication in accordance with state law requirements and provided the publication affidavit to the Board. The President announced the hearing open and invited members of the public to

address the Board on the proposed 2023 debt service tax rate and maintenance tax rate. Seeing no persons interested in addressing the Board, the President then announced the hearing closed.

The Board next considered the adoption and levy of the District's 2023 proposed debt service and maintenance tax rate. After discussion, Director BeMent made a motion to levy a 2023 debt service tax rate of \$0.315 per \$100 of valuation and a 2023 maintenance tax rate of \$0.135 per \$100 of valuation for a total tax rate of \$0.45 per \$100 valuation, and to adopt the attached Order Levying Taxes. Director Lowery seconded the motion, which unanimously carried.

Mr. Marks next reviewed with the Board a Fourth Amendment to the Sixth Amended and Restated District Information Form in connection with the levy of the 2023 tax rate. After discussion, Director BeMent made a motion to approve the Form and to authorize the Board members present to execute same. Director Lowery seconded the motion, which unanimously carried.

The Board next considered a report on mowing activity within the District. Mr. Martin reviewed the attached report with the Board and reported on the status of mowing within the District. He then presented the attached proposal in the amount of \$2,724.00 for the trailhead sign installation. After discussion, Director Ball made a motion to approve the proposal in the amount of \$2,724.00 for the trailhead sign installation. Director Evans seconded the motion, which unanimously carried.

Mr. Martin next presented a proposed mowing and maintenance budget which reflects a price increase on the spring and fall overseeding and fertilization and includes quarterly pressure washing of the weir grate drains and storm trooper cleanout and disposal. After discussion, Director Ball made a motion to approve the proposed mowing and maintenance budget, as presented. Director Evans seconded the motion, which unanimously carried.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority ("WHCRWA"). Director Evans stated that the WHCRWA is holding a Show and Tell Workshop on November 8, 2023.

The Board next considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending October 31, 2023. Mr. Eyring presented a two-year engagement letter with Mark C. Eyring, CPA, PLLC ("Eyring") for the fiscal years ended October 31, 2023, and October 31, 2024. Mr. Marks advised that Mr. Eyring's fee for the preparation of the audit report has increased \$3,000 from last year to \$13,150 per year and \$2,000 for the Water Plant. After discussion, Director BeMent made a motion to approve the engagement of Eyring to prepare the District's audit report for the fiscal years ending October 31, 2023 and October 31, 2024, as discussed above. Director Lowery seconded the motion, which carried unanimously.

The Board next considered the financial and investment reports and invoices presented for payment. Ms. Hernandez reviewed the attached bookkeeping reports, investment inventory reports and bills for payment with the Board. After review and discussion, Director Ball made a motion to approve the reports and authorize the disbursements identified therein. Director Evans seconded the motion, which unanimously carried.

The Board next considered adoption of an operating budget for the fiscal year ending October 31, 2024. Ms. Hernandez reviewed the attached draft budget with the Board. After discussion, Director Ball made a motion to approve the operating budget for the fiscal year ending October 31, 2024, as presented. Director Evans seconded the motion, which unanimously carried.

Ms. Hernandez reported that there was an attempted fraud on the District's operating account. She stated that the attempted fraud was caught by the bank. Ms. Hernandez stated that Myrtle Cruz is recommending implementation of the positive pay system which is a \$25 charge plus \$75 per month for extra work starting in January 2024. She stated that the system involves a lot of oversight, and that Myrtle Cruz recommends the program for the District's operating and construction accounts for \$150 per month. After discussion, Director Ball made a motion to approve the positive pay system for the District's operating and construction accounts for \$150 per month. Director Lowery seconded the motion, which unanimously carried.

The Board next considered the status of collection of taxes. Ms. Burks reviewed the attached tax assessor's report and the delinquent tax roll for the month of September. She noted that 99.43% of the District's 2022 taxes had been collected through September 30, 2023. After review and discussion of the reports, Director Evans made a motion to approve the reports and authorize the disbursements identified therein. Director Ball seconded the motion, which unanimously carried.

There was next a discussion regarding the status of the District's delinquent tax accounts. The Board reviewed the attached Delinquent Collections Listing as of September 30, 2023. The Board next reviewed the attached report dated October 24, 2023, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

The Board next considered authorizing the design, advertisement for bids and/or award of construction contracts, status of construction contracts previously awarded and acceptance of sites and easements.

The Board next considered approval of plans for the modifications of the Franz Road Sheet Flow Road Adjustments. Mr. Liu stated that A&S submitted design plans to Harris County and awaits comments to same.

The Board next considered the status of the construction contract with Aranda Industries, LLC ("Aranda") for Water Line Replacement, Phase II. Mr. Liu stated that construction is complete, and A&S is waiting on turf establishment to final the contract.

The Board next considered the status of the construction contract with Texas Wall for the Colonial Park project. Mr. Liu reported that the construction is complete, and the contractor continues to work on punch list items.

The Board next considered the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District. No one present had anything new to report.

The Board next considered the status of storm water quality permits. Mr. Liu stated that all permits for the District are current.

The Board next considered the status of the HEB development. Mr. Liu stated that A&S awaits execution of the water line easements before providing the no objection letter.

The Board next considered the status of the C-Store development at 21826 Franz Road. Mr. Liu stated that A&S provided a No Objection letter to the plans received on April 18, 2023 and awaits executed easement documents for the proposed utility easement.

The Board next discussed the WHCRWA water line easement acquisition. Mr. Liu reported that WHCRWA provided a letter stating that the preliminary design work for the surface water conversion line to the District has begun and is expected to be completed by mid to late 2026. He stated that the surface water line will tie-in to both the Williamsburg Water Plant and future Water Plant No. 2.

The Board next discussed the Williamsburg Water Plant and Regional Wastewater Treatment Plant capacity. The Board discussed whether it wanted additional capacity. Director BeMent recommended purchasing additional capacity if it is needed. Mr. Liu stated that the District has sufficient capacity but advised that he will review the numbers needed for the McCormick property.

The Board next considered the issuance of utility commitments. No one present had anything new to report.

The Board next considered a report on the District's water, sanitary sewer, and storm sewer systems for the month of September. Mr. Wright reported that 86% of the water pumped during the month of September had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Mr. Wright reported that the two water (2) systems were separated and starting October 1, 2023, all usage will be attributed to the District.

Mr. Wright next requested that the Board authorize MOC to turn over one (1) delinquent account in the total amount of \$81.33 to Collections Unlimited ("CU"). After discussion, Director Ball moved to authorize MOC to turn over the one (1) subject account to CU, as set out above. Director Lowery seconded the motion, which unanimously carried.

The Board next considered the report on the regional sewage treatment plant, including compliance with the wastewater discharge permit. Mr. Wright stated that the facilities were operated in compliance with the permit and operated at 62% of capacity for the month of September.

Mr. Wright stated that the WHCRWA is no longer in Stage 1 of the Drought Contingency Plan.

The Board next considered a discussion regarding the District's parks. No one present had anything new to report.

The Board next recessed into Executive Session at 6:42 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code. The Board returned from executive session at 7:15 p.m.

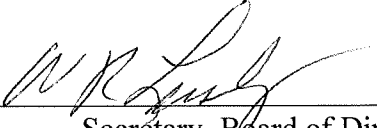
The Board next deferred a discussion regarding the status of acquisition of a site for Water Plant No. 2.

The Board next considered the engagement of Arbitrage Compliance Specialists, Inc. (“ACS”) relative to the District’s Series 2018 Bonds. After discussion, Director Evans made a motion to approve the engagement letter from ACS in the amount of \$1,650 for arbitrage compliance services relative to the Series 2018 Bonds. Director Lowery seconded the motion, which unanimously carried.

The Board next considered the scheduling of the December Board meeting. The Board concurred to hold the December meeting on December 19, 2023.

The Board next considered matters for possible placement on future agendas.

There being no further business to come before the Board, the meeting was adjourned.



Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
October 24, 2023

1. Order Levying Taxes
2. FEEC Report
3. Proposal from FEEC and Mowing and Maintenance Budget
4. Bookkeeper's Report
5. Tax Assessor-Collector's Report
6. Delinquent Tax Report
7. Engineer's Report with related correspondence
8. Operations Report and related correspondence