

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
February 27, 2024

The Board of Directors of Harris County Municipal Utility District No. 61 met at 1825 N. Mason Road, Katy, Harris County, Texas 77449 on February 27, 2024, 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 and Anna Hunter 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.; Evan Martinez of First Erosion Environment Controls (“FEEC”); Mark Eyring of Mark C. Eyring, CPA, PLLC; Derek Michael of SRI; and Kara Richardson and Jacquelyn Goodwin 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. No one present signed up to address the Board.

The Board next considered approval of the minutes of the Board of Directors meeting held on January 23, 2024, and February 19, 2024. Ms. Goodwin also stated that the minutes from September 26, 2023, were revised to clarify certain language regarding the purchase of the Water Plant site from Harris County Municipal Utility District No. 62. After discussion, Director Ball made a motion to approve the minutes of the meetings held on January 23, 2024, and February 19, 2024, as presented, and approve the minutes of the meeting held on September 26, 2023, as amended. 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 January.

The Board next considered approval of the audit report for fiscal year ended October 31, 2023. Mr. Eyring presented and reviewed the draft audit report. After discussion, Director BeMent made a motion to approve the audit report for the fiscal year ended October 31, 2023, subject to review by MRPC, to authorize the President to execute the Annual Filing Affidavit on behalf of the Board and District, and to file the audit report and Annual Filing Affidavit with the appropriate governmental authorities. Director Lowery seconded the motion, which unanimously carried.

The Board next considered a report from FEEC relative to mowing and detention pond maintenance within the District. Mr. Martinez reviewed the attached report and presented proposals for sign installation and deep root fertilization. He then presented a proposal in the amount of \$4,850 for the installation of a trailhead sign at 22413 Colonial Parkway and a proposal in the amount of \$2,500 for deep root fertilization for one hundred and twenty-five (125) trees within the District. After discussion, Director Ball made a motion to approve the proposals. Director Evans seconded the motion, which unanimously carried.

The Board next considered a discussion regarding the District's parks. The Board noted that there was nothing new to report.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority ("WHCRWA"). Director Evans stated that there was nothing new to report.

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. She stated that MA&C will be escheating check nos. 1332, 1363 through 1365, 1445, 1449, 1537, 1615, and 1618 to the state. After review and discussion, Director BeMent made a motion to approve the reports and authorize the disbursements identified therein. Director Lowery seconded the motion, which unanimously carried.

Ms. Hernandez requested that an item be added to the agenda for the next meeting to amend the operating budget.

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 January. She noted that 86.89% of the District's 2023 taxes had been collected through January 31, 2024. After review and discussion of the reports, Director Evans made a motion to approve the reports and authorize the disbursements identified therein. Director Lowery 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 January 31, 2024. The Board next reviewed the attached report dated February 27, 2024, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

Ms. Richardson next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VII, Section 1-b of the Texas Constitution, and Sections 11.13 and 11.184 of the Property Tax Code. The Board discussed increasing the exemption for those taxpayers who are disabled or aged 65 or older. The Board discussed increasing the exemption for those taxpayers who are disabled or aged 65 or older from \$100,000 to \$105,000. After discussion on the matter, Director Ball made a motion to adopt a twenty percent (20%) general homestead exemption and a \$105,000 exemption for taxpayers who are under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance or are sixty-five (65) years of age or older disabled or age 65 or older and to approve the attached Resolution Concerning Exemptions from Taxation. Director BeMent seconded the motion, which unanimously carried.

The Board next considered the status of a sales and use tax report prepared by SRI. Mr. Michael stated that SRI identified three (3) new sales tax permits, two (2) new business entities providing a non-taxable service, and three (3) new vacancies. He noted that SRI reported the businesses without permits to the Comptroller.

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 plans back to Harris County and awaits approval.

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 the storm water quality permit for the Mason/Franz Storm Trooper was resubmitted to Harris County for renewal. He stated that the storm water quality permit for the Mason Seniors Detention Pond was submitted to Harris County for renewal.

The Board next considered the status of the HEB development. Mr. Liu stated that A&S is awaiting 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, including the acceptance of a Water Line Easement and Utility Easement. Mr. Liu stated that A&S confirmed the water line installation meets specifications and is within the proposed easement.

The Board next discussed the WHCRWA water line easement acquisition. Mr. Liu reported that there was nothing new to report.

The Board next considered the status of the Colonial Park pond fountains. Mr. Liu stated that Lake Management Services completed scheduled maintenance on February 12, 2024. He also stated that the east fountain motor was delivered February 27, 2024 and is scheduled for installation on February 28, 2024.

The Board next considered the issuance of utility commitments. Mr. Liu reported that A&S received an application for an additional 1,200 square foot warehouse building at Safekick Americas. He stated that the development is within the District. Mr. Liu stated that A&S reviewed the application and will coordinate with the applicant for more information.

The Board next considered a report on the District's water, sanitary sewer, and storm sewer systems for the month of January. Mr. Wright reported that the District accounted for 90% of the water pumped during the month of January and that MOC operated the District's facilities in compliance with their respective permits. He stated that MOC is working on certain repairs that are attributing to the recent lower accountability.

Ms. Garza next presented the attached 'In Case of Emergency' signs to be installed at the parks which include the location addresses in the event someone needs emergency assistance. She stated that the signs are approximately \$600 total for two signs. After discussion, Director Evans made a motion to approve the purchase of two signs totaling approximately \$600 for installation at the parks. 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 MOC operated the facilities in compliance with the plant permit, and the plant operated at 49% of capacity for the month of January.

The Board next considered the renewal of the District's insurance coverage for term expiring March 31, 2024. Ms. Richardson reviewed the attached renewal proposals received from Gallagher relative to property, comprehensive boiler and machinery, commercial general liability and hired care and non-ownership automobile liability, pollution 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 scheduled to expire on March 31, 2025. After discussion, Director Evans made a motion to approve the renewal proposals from Gallagher for the coverages set out above and to authorize the President to execute same on behalf of the Board and District. Director Ball seconded the motion, which unanimously carried.

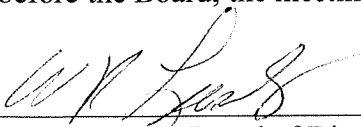
The Board next entered into Executive Session at 6:44 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code. The Board returned from executive session at 6:51 p.m.

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

The Board next considered the status of the engineer's performance. Director BeMent stated that he met with Mr. Bill Baird, President of A&S, along with another project manager from A&S, to discuss various engineering issues in the District. He stated that Mr. Baird mentioned that A&S is working to be more proactive with the District. Director BeMent stated that he mentioned his concerns with respect to performance on past projects and apprehension about potential issues with the construction of Water Plant No. 2. Director BeMent stated that he feels that A&S understands the Board's concerns and has agreed to actively address same going forward.

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
February 27, 2024

1. Draft Audit
2. FEEC
3. Bookkeeper's Report
4. Tax Assessor-Collector's Report
5. Delinquent Tax Report
6. Tax Exempt Resolution
7. Sales and Use Tax Report
8. Engineer's Report with related correspondence
9. Operations Report and related correspondence