

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
February 28, 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 February 28, 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 Jim Ainsworth 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 of First Environment Erosion Controls ("FEEC"); Mark Eyring of Mark C. Eyring, CPA, PLLC ("Eyring"); and David Marks of Marks Richardson PC ("MRPC").

The President called the meeting to order. Director Lowery reported that the recorder was not currently working and therefore no audio recording would be made of the meeting.

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 24, 2023. After discussion, Director Ball made a motion to approve the minutes of the meeting held on January 24, 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 January. He reported that the HCSO continues to work on streamlining the process for answering calls.

The Board next considered approval of the audit report for fiscal year ended October 31, 2022. Mr. Eyring presented and reviewed with the Board the draft audit report. After discussion, Director BeMent made a motion to approve the audit report for the fiscal year ended October 31, 2022, subject to review by the consultants, 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, including the Texas Commission on Environmental Quality. 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.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority (“WHCRWA”). Director Evans provided a status update on the WHCRWA’s project to bring in surface water to the District and stated that the WHCRWA will extend the conversion date by six (6) months.

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 BeMent 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 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 75.98% of the District’s 2022 taxes had been collected through January 31, 2023. After review and discussion of the reports, Director Lowery made a motion to approve the reports and authorize the disbursements identified therein. Director Lusby 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, 2023. The Board next reviewed the attached written report dated February 28, 2023, which had been prepared by the District’s delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. No action was necessary with respect to the delinquent tax report.

Mr. Marks 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 aged 65 or older. The Board concurred that MRPC coordinate with the Financial Advisor regarding the District’s feasibility for increasing the exemption. The Board deferred action on the matter until next month’s meeting.

The Board next deferred consideration of the status of a sales and use tax report prepared by Sales Revenue Inc.

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. Mr. Ainsworth then reviewed the attached report.

The Board next considered approval of plans for the modifications of the Franz Road Sheet Flow Road Adjustments. Mr. Ainsworth stated that A&S received an updated Sheet Flow Analysis Report stating that existing ground along residential backyards is higher than the 100-year Water Surface Elevation. He stated that A&S continues design on the proposed project.

The Board next considered the status of the construction contract with Aranda Industries, LLC (“Aranda”) for Water Line Replacement, Phase II. Mr. Ainsworth reported that A&S provided the updated permitted plans to Aranda for the 12-inch water line installation across and along Colonial Parkway. He stated that A&S is working on finalizing the change order amount for the remobilization and changed alignment reflected in the revised drawing.

The Board next considered the status of the construction contract with Texas Wall Landscape for the Colonial Park project. Mr. Ainsworth reported that the contractor is installing the stone shade structures and light standards. He stated that A&S continues investigating the RFI involving a manhole as well as a couple of inlet elevations.

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. Ainsworth stated that the storm water quality permit for Mason/Franz Storm Trooper was renewed and will expire in January 2024. He stated that all other permits for the District are current.

The Board next considered the status of the HEB development. Mr. Ainsworth stated that A&S reviewed and approved Phase 1 of the Water Line Extension and provided comments for Phase 2. He stated that A&S has received easement documents from MRPC for the proposed Water Line Easements along Elrod Road and are currently coordinating with property owners regarding execution.

The Board next considered the status of the C-Store development at 21826 Franz Road. Mr. Ainsworth stated that A&S provided comments to the developer and is awaiting the revised plans.

The Board next discussed the WHCRWA water line easement acquisition. Mr. Ainsworth reported that A&S is working with WHCRWA over the thirty-foot (30’) water line easement requested for the Williamsburg Water Plant. Mr. Ainsworth stated that the updated deed has been provided to the WHCRWA.

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

The Board next considered the review of a Bond Application Report (“BAR”) relative to the District’s proposed Series 2023 Bonds, including approval of an Order Authorizing Application to the Texas Commission on Environmental Quality (“TCEQ”) for Approval of Project and Bonds for the proposed Series 2023 Bonds, and authorizing the District’s consultants to file the BAR with the TCEQ relative to the proposed Series 2023 Bonds. Mr. Ainsworth reviewed the attached bond cost summary in the amount of \$11,165,000 and the draft BAR with the Board. After further discussion, Director Evans moved to approve the Order in the amount presented and to authorize the District’s consultants to submit to the TCEQ the Order and BAR. Director Lusby seconded the motion, which passed unanimously.

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 93% of the water pumped during the month of January had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Mr. Wright next requested that the Board authorize MOC to turn over two (2) delinquent accounts in the total amount of \$448.94 to Collections Unlimited ("CU"). After discussion, Director Ball moved to authorize MOC to turn over the two (2) subject accounts to CU, as set out above. Director Evans 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 58% of capacity for the month of January.

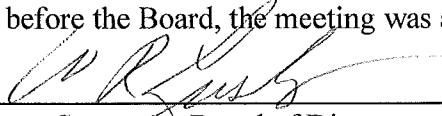
The Board then reviewed the list of delinquent accounts for the past month and noted that HEB's contractor was listed as delinquent. The Board concurred that MOC hang a door tag notice advising of the delinquency.

The Board next considered a discussion regarding the District's parks. Director Ball stated that he received a call from a resident regarding complaints about a woman on a bicycle nearly hitting people.

The Board next considered the renewal of the District's insurance coverage for term expiring March 31, 2023. Mr. Marks 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, 2024. 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 Lowery seconded the motion, which unanimously carried.

The Board next considered matters for possible placement on future agendas. The Board requested that items be included on the agenda for next month's meeting to discuss a land acquisition and real estate negotiations.

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 28, 2023

1. Draft Audit from Eyring
2. Bookkeeper's Report
3. Tax Assessor-Collector's Report
4. Delinquent Tax Report
5. Engineer's Report with related correspondence
6. Summary of Costs for Series 2023 Bonds
7. Operations Report and related correspondence