

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
March 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 March 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 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 of First Environment Erosion Controls (“FEEC”); and Blake Ellis of Marks Richardson PC (“MRPC”).

The Vice 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 February 28, 2023. After discussion, Director Ball made a motion to approve the minutes of the meeting held on February 28, 2023, as presented. Director Evans 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 February. He reported that there were numerous auto accidents, several of them major accidents, with the majority of the accidents occurring on the perimeter of the contract.

Director BeMent entered the meeting at this time.

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 noted that he will prepare a proposal for the maintenance program of the new detention basin park after the one-year warranty period.

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 extended the completion date.

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 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 February. She noted that 92.86% of the District's 2022 taxes had been collected through February 28, 2023. After review and discussion of the reports, Director BeMent 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 February 28, 2023. The Board next reviewed the attached written report dated March 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. Ellis 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. Director Ball proposed increasing the exemption for those taxpayers who are disabled or aged 65 or older. The Board then concurred that it should increase the exemption for those taxpayers who are disabled or aged 65 or older from \$90,000 for 2022, to \$100,000 for 2023. After discussion on the matter, Director Ball made a motion to approve the attached Resolution Concerning Exemptions from Taxation. Director Lowery seconded the motion, which unanimously carried.

The Board next considered authorizing the District's bookkeeper and tax assessor-collector to prepare and file an Unclaimed Property Report prior to the July 1, 2023, deadline. After discussion, Director Evans made a motion to authorize the District's bookkeeper and tax assessor-collector to research the District's accounts to determine the necessity of preparing an Unclaimed Property Report, and, if such reports are necessary, authorize the District's bookkeeper and tax assessor-collector to file same with the State Comptroller prior to the July 1, 2023, deadline. Director Lowery seconded the motion, which carried unanimously.

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. Director BeMent asked for a moment of silence in remembrance of Jim Ainsworth. Mr. Liu reported that Mr. Ainsworth suffered a stroke on Friday and passed away on Sunday. Mr. Liu also noted that A&S was already in the process of transitioning work to himself and others prior to Mr. Ainsworth's passing, and that A&S would like to continue their good relationship with their Boards. After discussion, Director Lusby made a motion to authorize MRPC to send flowers for Mr. Ainsworth on behalf of the Board in an amount not to exceed \$250. Director BeMent seconded the motion, which unanimously carried.

The Board next considered approval of plans for the modifications of the Franz Road Sheet Flow Road Adjustments. Mr. Liu 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. Liu presented Change Order No. 2 in the amount of \$57,973 and recommended that it be added to the construction contract with Aranda. He stated that the amount includes costs associated with the installation of the 12-inch water line across and along Colonial Parkway to tie-in to the existing 12-inch water line along Mason Road. Mr. Liu then presented an executed TEC Form 1295 from Aranda. After discussion, Director Lusby made a motion to approve inclusion of Change Order No. 2 in the amount of \$57,973 in the construction contract with Aranda, with the finding that same is necessary and beneficial for the District. Director BeMent seconded the motion, which unanimously carried.

The Board next considered the status of the construction contract with Texas Wall Landscape for the Colonial Park project. Mr. Liu reported that the contractor cleaned up the site and is awaiting delivery of the canopy structures and bollards. Director Ball then discussed dead trees located along Colonial Parkway. The Board discussed that the trees were not included in the contract, but pruning was included. Director Ball stated that he would like to obtain an estimate for removing and replacing the dead trees, pruning certain trees, and moving the maintenance of the trees to FEEC. After discussion, Director Ball made a motion to authorize FEEC to prepare an estimate for the removal and replacement of the dead trees and pruning certain trees and approve moving the maintenance of the trees to the District’s maintenance program with FEEC. Director Lusby seconded the motion, which unanimously carried.

Mr. Liu next presented Pay Application No. 6, in the amount of \$372,180.60, and recommended that the Board approve payment of same. After discussion, Director Ball made a motion to approve Pay Application No. 6, as discussed above. Director BeMent seconded the motion, which unanimously carried.

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 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. Liu stated that A&S reviewed and approved Phase 1 of the Water Line Extension, provided comments on September 16, 2022, for Phase 2 and are awaiting revised plans.

The Board next considered the status of the C-Store development at 21826 Franz Road. Mr. Liu stated that A&S received revised plans today and will review same and provide comments to the developer if necessary.

The Board next discussed the WHCRWA water line easement acquisition. Mr. Liu reported that A&S is working with WHCRWA over the thirty-foot (30’) water line easement

requested for the Williamsburg Water Plant. He 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 relative to the District's proposed Series 2023 Bonds. Mr. Liu stated that A&S addressed comments from the Financial Advisor and MRPC and are finalizing the bond application package for submittal. Mr. Ellis requested that A&S let MRPC know when they are ready to schedule a due diligence meeting.

The Board next considered the annual review of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects. Mr. Ellis noted that Harris County and the City of Houston have both adopted the wage rates adopted by United States Department of Labor for Harris County projects and presented the list of such rates for the Board's review. After discussion, Director BeMent made a motion to adopt the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects based on the Department of Labor rates for Harris County projects. Director Evans seconded the motion, which unanimously carried.

The Board next considered a report on the District's water, sanitary sewer, and storm sewer systems for the month of February. Mr. Wright reported that 93% of the water pumped during the month of February had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Mr. Wright mentioned that the District is in the process of returning water in kind to Harris County MUD No. 63 which the District incorrectly received due to a leaky valve.

Mr. Wright next requested that the Board authorize MOC to turn over one (1) delinquent account in the total amount of \$224.76 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 Evans seconded the motion, which unanimously carried.

Mr. Wright reported that the customers located on Durfey who previously had the raw sewage issue have vacated the property. He stated that there is a lockbox on the door and no account will be connected to the home without MOC approval.

Director BeMent then asked about the District's low water accountability. Mr. Wright stated that MOC is having all water meters analyzed and will report to the Board next month.

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 February.

The Board next considered a discussion regarding the District's parks. The Board noted that it had previously covered same earlier in the meeting.

The Board next considered approval of park rules and authorizing the Board to publish rules in accordance with Section 54.207 of the Texas Water Code. The Board discussed options

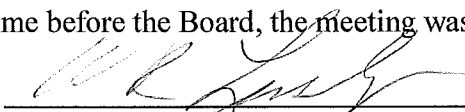
for naming the park. Directors Lusby and Ball suggested naming the park Colonial Park. Director BeMent suggested naming the park Ainsworth Park. Director Ball suggested not naming the park after someone. The Board deferred action on naming the park at this time. Mr. Ellis next presented the attached Rules and Regulations for Parks Owned and Operated by the District and reviewed same with the Board. He discussed the reason for the substantive summary and how following the statute allows for the rules to be enforceable by HCSO. After discussion, Director Lusby made a motion to approve the Rules and Regulations for Parks Owned and Operated by the District, and authorized MRPC to publish the rules in accordance with Section 54.207 of the Texas Water Code. Director Evans seconded the motion, which unanimously carried.

The Board next deferred recessing to Executive Session to discuss real property matters pursuant to §551.072, Texas Government Code.

The Board next deferred a discussion regarding land acquisition until next month's meeting.

The Board next considered matters for possible placement on future agendas. Director Ball requested that an item be included on the agenda for next month's meeting to discuss a park opening celebration.

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
March 28, 2023

1. FEEC
2. Bookkeeper's Report
3. Tax Assessor-Collector's Report
4. Delinquent Tax Report
5. Engineer's Report with related correspondence
6. Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
7. Operations Report and related correspondence