

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
May 23, 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 May 23, 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 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.; Richard Martin of First Environment Erosion Controls ("FEEC"); Derek Michael of Sales Revenue Inc. ("SRI"); Sachie Etherington of Williamsburg Settlement Maintenance Association ("WSMA"); Gregg Nady, member of the public; and Blake Ellis 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. Ms. Etherington addressed the Board and asked for the security contract statistics and the name of the company that could install and maintain security cameras. Director Lowery stated that he will send the requested information to Ms. Etherington.

Mr. Nady addressed the Board and spoke about the revisions to the trail, which include a mid-block crossing planned at Christopher Wren. He stated that most of the trail is to be on the south side of Mason Creek with a pedestrian bridge across the creek. Mr. Nady stated that Harris County MUD No. 62 ("MUD 62") stepped in to sponsor the application with an agreement with Harris County to step in should the project be chosen. He stated that if the commissioner does not elect to contribute enough funds for the project should it be chosen, it is possible he will come back to the District and MUD 62 to request contributing funds to the project.

The Board next considered approval of the minutes of the Board of Directors meeting held on April 25, 2023. After discussion, Director Ball made a motion to approve the minutes of the meeting held on April 25, 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 that Deputy Moyer advised him that there has been nothing of note to report. He stated that Deputy Moyer advised him that he is averaging three (3) to five (5) traffic stops per day.

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 stated that FEEC has been picking up trash at the new park instead of the contractor who should be picking up the trash. The Board requested that FEEC invoice the District for the subject work.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority ("WHCRWA"). Director Evans mentioned that there has been an issue with encroachment on rights-of-way and the WHCRWA is going to start taking action regarding same.

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 March. She noted that 97.90% of the District's 2022 taxes had been collected through April 30, 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 April 30, 2023. The Board next reviewed the attached written report dated May 23, 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.

The Board next considered the review and approval of a Depository Agreement, Security Agreement and Third-Party Custodian Agreement (the "Agreements") between the District and Frost Bank. Ms. Burks presented the Agreements, which had been approved by MRPC, and reviewed same with the Board. After discussion, Director Lowery made a motion to approve the Agreements, and to authorize the President to execute same on behalf of the Board and the District. Director Evans 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 one hundred forty-six (146) sales tax permits, seven (7) business entities providing a non-taxable service, and twenty-five (25) vacancies. He noted that SRI reported the businesses without permits to the Comptroller. Mr. Michael stated that SRI continues to chase down more potential sales tax collection from businesses that had not otherwise contributed before.

Director BeMent exited the meeting at this time.

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 Evans made a motion to approve the reports and authorize the disbursements identified therein. Director Lowery seconded the motion, which unanimously carried.

Director Ball asked if MA&C could track the electricity usage at the new Colonial Park since the installation of the lights. He stated that the lights are only supposed to be on for twelve

(12) hours at a time but are being left on for twenty-four (24) hours and he would like to know how much the District is spending on electricity.

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 investigated options regarding the existing landscaping of the median and the impact raising natural ground will have on the trees and monument. He discussed engineering design and landscaping to preserve the trees and stated that the total cost for the project would be approximately \$350,000. Mr. Liu stated that surplus funds could be used for the project and asked the Board if it would like to continue with the design phase of the project. Director Ball stated that water has entered from Franz Road during previous rain events. Mr. Liu stated that by raising the road approximately two (2) to three (3) inches, it should eliminate the low point on Gatwick Lane that was causing the issue. Ms. Hernandez stated that there is approximately \$600,000 in surplus funds available. Director Ball noted that the District has already used \$40,000 on the study and he is all for eliminating the flooding issue. Director Evans agreed with Director Ball's statement. Mr. Liu then proposed bidding on the project to firm up the costs, and noted that the design phase is not complete and ready for bids yet. He then recommended that A&S continue on the design phase on an hourly basis and bring an estimate of remaining costs for the Board's review at next month's meeting.

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 Aranda continues installation of the last segment and finalizing the project.

The Board next considered the status of the construction contract with Texas Wall Landscape for the Colonial Park project. Mr. Liu reported that A&S awaits delivery of the canopy structures and bollards. He stated that A&S has repeatedly instructed the contractor to maintain the site work as required under the contract. Director Ball stated that the contractor has not been maintaining the park and not taking the trash away and that he believes the contractor is in breach of the contract. Director Ball requested that MRPC send correspondence to Texas Wall Landscape stating that they are in breach of the contract for the trash, mowing, irrigation and maintenance and lights. Mr. Liu mentioned that the time, effort, and cost to terminate and hire another contractor to complete the work would be a roadblock to terminating. Director Ball stated that he does not want to terminate the contract with Texas Wall Landscape, but that money should be taken out of the contract to pay others to complete the work. Mr. Liu stated that it would be better to have the contractor pay FEEC directly. The Board stated that it would like FEEC to be paid quickly and asked that FEEC invoice the District directly for the subject work. Mr. Ellis stated that he will work with A&S to determine the best way for the District to be reimbursed, either through change orders to the contract or payment from the contractor to the District.

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 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 A&S is working with WHCRWA over the thirty-foot (30') water line easement requested for the Williamsburg Water Plant.

Mr. Liu reported that the District received an offer from MUD 62 for the District's purchase of the Water Plant. He stated that he has a meeting next with the engineer for MUD 62 to discuss the offer and negotiate a reduction in price on various items. Mr. Liu stated that he will also coordinate with MOC on estimating costs for valving off the separate water systems. He stated that the District has sufficient capacity in the WWTP but is going to present assumptions for land use to the Board at next month's meeting for approval and in order to reach consensus on whether or not to acquire more capacity in the WWTP.

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

The Board next considered the status of the Bond Application Report ("BAR") relative to the District's proposed Series 2023 Bonds. Mr. Ellis advised the Board that the BAR was submitted to the Texas Commission on Environmental Quality on May 23, 2023.

The Board next considered a report on the District's water, sanitary sewer, and storm sewer systems for the month of April. Mr. Wright reported that 94% of the water pumped during the month of April had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Mr. Wright presented the attached annual test results on commercial meters conducted by Accurate Meter and Backflow, LLC ("Accurate") and reviewed same with the Board. He stated that Accurate identified three (3) meters that are in need of repair, which should increase the accountability numbers. Mr. Wright stated that MOC will also look at MUD 62's annual test results to ensure any issues are resolved. After discussion, Director Evans made a motion to authorize MOC to repair three (3) meters, as discussed above. Director Lowery seconded the motion, which unanimously carried.

Mr. Wright next requested that the Board authorize MOC to turn over one (1) delinquent account in the total amount of \$166.74 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 55% of capacity for the month of April.

The Board next considered approval of the Consumer Confidence Report and the authorization of distribution to consumers. After discussion, Director Ball made a motion to approve the District's Consumer Confidence Report, contingent upon review and approval by MRPC, and to authorize the distribution of same to consumers via URL instead of by mail. Director Lowery seconded the motion, which unanimously carried.

The Board next considered a discussion regarding the District's parks, including the naming of Colonial Parkway Park, approval of signs and appreciation, approval of revised park rules and authorization to publish rules in accordance with Section 54.207 of the Texas Water Code, installation of stoplights at Carters Grove or Christopher Wren and Colonial Parkway, and discussion regarding park opening celebration. Director Ball stated that instead of naming the park after a certain person, there could be plaques on or near each bench for people who have made significant contributions to the park. He then proposed naming the park "Colonial Park" and putting up plaques for Dan Sherrill, Ray Miller, Walt Smith and Jim Ainsworth. Director Lusby agreed with Director Ball's recommendation. After discussion, Director Ball made a motion to name the park "Colonial Park" and putting up plaques for individuals, as discussed above. Director Lusby seconded the motion, which unanimously carried.

The Board next considered the approval of revised park rules and authorizing the Board to publish rules in accordance with Section 54.207 of the Texas Water Code. The Board discussed revising the park rules to include "No overnight parking, towing will be enforced" signs. After discussion, Director Evans made a motion to approve the revised 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 Lusby seconded the motion, which unanimously carried.

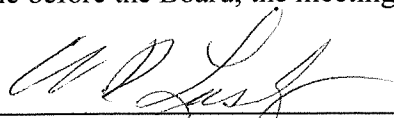
The Board next deferred consideration of a discussion regarding a park opening celebration until next month's meeting.

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.

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
May 23, 2023

1. FEEC
2. Tax Assessor-Collector's Report
3. Delinquent Tax Report
4. Sales and Use Tax Administration Report from SRI
5. Bookkeeper's Report
6. Engineer's Report with related correspondence
7. Operations Report and related correspondence