

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61**  
**Minutes of Meeting of Board of Directors**  
**June 27, 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 June 27, 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.; Christine Crotwell of Masterson Advisors LLC ("Masterson"); David Crigger of Texas Wall and Landscape; Image Maknojia and Sam Maknojia of Swift Franz Pro, LLC; and David Marks 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. 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 May 23, 2023. After discussion, Director Ball made a motion to approve the minutes of the meeting held on May 23, 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 ("HCSO"). Director Lowery reported that the evening shift deputy had a medical emergency a month ago and is now on light duty for the next few months. He also noted that the new deputy was off for vacation. Director Lowery stated that he had a meeting with HCSO and there is a new deputy now in place. He also stated that he spoke with Sergeant Stensland about the deputies not sending the reports in a timely manner. Director Lowery stated that he received a consolidated report last night, which noted a problem with one particular house generating noise complaints, but noted that the deputies have not been consistent in responding to these calls. He stated that he also spoke with Sergeant Stensland regarding the matter. Director Lowery stated that the day shift deputy has been doing a good job conducting traffic stops.

The Board next considered approval of all of the actions required in connection with the sale of the District's Unlimited Tax Bonds, Series 2023. Mr. Marks stated that the 60-day expedited period for the Bond Application Report will be expiring soon and that the District should

receive a response soon from the Texas Commission on Environmental Quality approving the District's Bond Application Report Authorizing the Issuance of Bonds.

Ms. Crotwell next reviewed the attached draft Preliminary Official Statement and a draft Official Notice of Sale to be used in connection with the Series 2023 Bonds. Following discussion, Director BeMent made a motion to approve the offering documents and authorize the completion and distribution of same to the various potential underwriters, rating services and insurance companies, along with such other applications and documents required in connection with the District's request for rating and insurance, in anticipation of a sale of the Bonds, and deem that such Preliminary Official Statement is final for all purposes, with the exception of any additional materials or information relating to subsequent material events, offering prices, interest rates, selling compensation, identity of the underwriters, aggregate principal amounts and other similar information, terms and provisions to be specified in the competitive bidding process. Director Lowery seconded the motion, which carried unanimously.

The Board next considered authorizing Masterson to advertise for the sale of the District's Series 2023 Bonds. After discussion, Director BeMent made a motion to authorize Masterson to advertise for the sale of the District's Series 2023 Bonds in accordance with the Official Notice of Sale. Director Lowery seconded the motion, which carried unanimously.

The Board next considered the designation of a Paying Agent/Registrar in connection with the District's Bonds. Ms. Crotwell recommended that the Board designate The Bank of New York Mellon Trust Company, N.A., Dallas, Texas ("BONY") as the Paying Agent/Registrar for the Series 2023 Bonds. After discussion, Director BeMent made a motion to designate BONY as Paying Agent/Registrar in connection with the Series 2023 Bonds. Director Lowery seconded the motion, which carried unanimously.

The Board next considered authorizing Masterson to apply for bond insurance on the Bonds and for an underlying rating on the Bonds. Ms. Crotwell reported that application for rating has been made to S&P Global Ratings. After discussion, Director BeMent made a motion to authorize Masterson to apply for bond insurance on the Bonds and for an underlying rating on the Bonds. Director Lowery seconded the motion, which unanimously carried.

The Board next deferred consideration of a report from FEEC on mowing activity within the District. The Board noted that Mr. Martin was not in attendance at today's meeting.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority. No one present had anything 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. 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.

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 May. She noted that 98.80% of the District's 2022 taxes had been collected through May 31, 2023. 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 May 31, 2023. The Board next reviewed the attached written report dated June 27, 2023, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"). No action was necessary with respect to the delinquent tax report.

The Board next considered authorizing Perdue to proceed with the collection of 2022 delinquent taxes, including the filing of lawsuits. After discussion, Director Evans made a motion to authorize Perdue to proceed with the collection of the District's 2022 and prior years' delinquent tax accounts on July 1, 2023, including filing of lawsuits as necessary. Director BeMent seconded the motion, which unanimously carried.

The Board next deferred consideration of the status of a sales and use tax report prepared by SRI until next month's meeting.

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 presented a Preliminary Cost Estimate in the amount of \$508,000 for the construction costs and remaining engineering funds and reviewed same with the Board. Director Ball suggested that A&S finish engineering design plans and then hold off on the project until later. After discussion, Director Ball made a motion to authorize A&S to complete the engineering design plans for the Franz Road Sheet Flow Road Adjustments and come back to the Board for approval to solicit bids for the project. Director Evans seconded the motion, which unanimously carried. Mr. Liu and Ms. Hunter noted that it would take A&S approximately sixty (60) to ninety (90) days to complete the design plans.

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 finished installation of the last segment and that a walkthrough will be completed soon to inspect the project.

The Board next considered the status of the construction contract with Texas Wall Landscape ("Texas Wall") for the Colonial Park project. Mr. Liu reported that the contractor installed canopy structures and A&S awaits installation of bollards. He stated that a site visit will be scheduled with Mr. Gard and Mr. Martin to address the remaining issues involving landscape and irrigation. Mr. Crigger next addressed the Board and explained that Texas Wall broke out the concrete for the benches because the concrete had not been poured wide enough. He stated that it has now been completed and the benches will be reinstalled. Mr. Crigger stated that the bollards were supposed to arrive today, and they should be installed soon. Director Lusby asked about the drawings for the pads. Mr. Crigger stated that the width of the pads was not shown on the drawings. Mr. Liu next presented the drawings, which reflected that there were dimensions for

how far the bench needed to be from the edge of the pad, but not the length and width of the pad itself. Director Ball then mentioned that the project was supposed to be completed by December and the plants and trees could have been planted in a more favorable season. Mr. Crigger stated that any damaged plants and trees will be replaced. Director Ball then mentioned that there is rust showing on some of the bolts in the pavilion. Mr. Crigger explained that Texas Wall does not use stainless steel bolts. He then admitted that it was Texas Wall's error on the pad dimensions and that they will be paying for the costs or, alternatively, breaking out the concrete and re-pouring same. Director Ball mentioned that in the past, the trash was not getting picked up and the grass was too high and mentioned that FEEC mowed and hauled off the trash. Mr. Crigger stated that the bill would be paid to FEEC this Friday and noted that Texas Wall has corrected the issue and has been hauling trash, mowing and weed eating since the issue was brought to their attention. Mr. Crigger mentioned that normally the public is not allowed on a project during construction, but Director Ball stated that this area has been used by residents for a long time and it needs to be maintained. Mr. Crigger mentioned that a remaining issue is a substitute call box since the one called for in the plans is no longer manufactured. He stated that he will coordinate with Mr. Gard and Mr. Liu on the matter. Director Ball expressed his concerns about replanting plants now and how long they will last. Mr. Crigger stated that they have a new irrigation system and controller in place and the plants should survive and, if not, the plants will be covered by the warranty. Mr. Crigger stated that he expects everything to be repaired by the end of this week.

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.

Mr. Sam Maknojia next addressed the Board and stated that he is the owner of a convenience store at the northeast corner of Mason and Franz Road and is seeking service from the District. He stated that they paid \$125,000 to extend a water line that was not reimbursable by the District and were shocked to see that the tap fee came out to \$220,000. Mr. Maknojia stated that the tap fee should not have been as high since the extension of the water line was paid by them and not the district. Mr. Liu stated that the discrepancy might be with the boring costs and MOC may have charged for that when the customer was already paying for it. After a lengthy discussion, Mr. Wright realized that there were charges in error and agreed to revise the bill. Mr. Maknojia then stated that he was satisfied and agreed to the new estimated amount.

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 on the offer from Harris County Municipal Utility District No. 62 ("MUD 62") for the District's purchase of the Water Plant. He stated that A&S has not received anything back from MUD 62 after presenting the District's response to the initial proposal. Mr. Liu then mentioned that he reviewed whether the District needs additional capacity in the WWTP and reviewed the attached exhibit of existing connections and projected connections. He then recommended that the District not pursue acquisition of additional capacity at this time. Director BeMent expressed concerns that the District might get caught short in the future if it was ever needed. He stated that if the District pursues acquisition now and takes advantage of economies of scale while the other districts are pursuing expansion, it would save the District money, compared to a future expansion that may be more difficult and costly. Director BeMent stated that the districts are looking to change how capacity is allocated and he would like to defer action on the matter to allow more time to research same. The Board deferred action on the matter at this time.

Mr. Liu next requested that the Board authorize A&S to request an inspection for ADA purposes for Dunmore Park. After discussion, Director Evans made a motion to authorize A&S to request an inspection for ADA purposes for Dunmore Park. Director Lowery seconded the motion, which unanimously carried.

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 May. Mr. Wright reported that 94% of the water pumped during the month of May had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Director Ball asked why the District is supplying water to West Harris County Municipal Utility District No. 2 ("WHCMUD 2"). Mr. Wright stated that WHCMUD 2 is having well issues and noted that the District will get the water back in kind. Director BeMent then asked about the District's 94% accountability. Mr. Wright mentioned that it is hard for him to control what other districts are doing and MOC has not yet repaired the faulty meters, so once that happens, the accountability percentage should increase. He also noted that when the District purchases MUD 62's share of the Water Plant, it will improve accountability as well, since the District will no longer be sharing water with MUD 62.

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 57% of capacity for the month of May.

Mr. Wright then requested that an item be added to the agenda for next month's meeting to consider a request for a rate increase from MOC.

The Board next considered a discussion regarding the District's parks, including the status of park rules. Mr. Ellis clarified with the Board that the park rules previously published in accordance with Section 54.207 of the Texas Water Code already included the revision adopted last month, so the rules do not need to be published again and are already enforceable by HCSO as written.

Mr. Ellis next discussed a Voting System Annual Filing Form ("Form") from the Secretary of State's Office. He advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file the Form with the Secretary of State's Office. After discussion, Director BeMent made a motion to approve the Form and authorize MRPC to prepare and file same with the Secretary of State's Office, as required by law. Director Lowery seconded the motion, which unanimously carried.

The Board next considered the approval of destruction of notes of Board of Directors meetings from February 2022 to February 2023, in accordance with the Records Retention Schedule for General Records. Mr. Ellis presented the attached correspondence from the Records Management Officer, with attached list of records, and advised that the time limitations for retention had passed for all records listed, that, to the best of his knowledge and belief, none of the records' subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. After discussion, Director BeMent made a motion to authorize the destruction of the notes as requested in accordance with the provisions of the District's Records Management Program and the Schedule. Director Lowery seconded the motion, which unanimously carried.

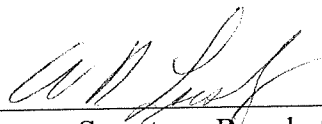
The Board next recessed into Executive Session at 7:38 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code. The Board returned from executive session at 8:02 p.m.

The Board next deferred taking action regarding 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 BeMent suggested that Director Lowery be appointed as the representative to attend the upcoming STP meeting in August. After discussion, Director BeMent made a motion to appoint Director Lowery as the representative to attend the upcoming STP meeting in August on behalf of the Board and the District. Director Lusby seconded the motion, which unanimously carried.

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

  
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Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS  
June 27, 2023

1. Preliminary Official Statement/Notice of Sale
2. Tax Assessor-Collector's Report
3. Delinquent Tax Report
4. Bookkeeper's Report
5. Engineer's Report with related correspondence
6. Operations Report and related correspondence