

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61**  
**Minutes of Meeting of Board of Directors**  
**July 25, 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 July 25, 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, except Director BeMent, thus constituting a quorum.

Also present were Jonathan Liu and Anna Hunter of A&S Engineers, Inc. ("A&S"); 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"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); and David Marks 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 June 27, 2023. After discussion, Director Ball made a motion to approve the minutes of the meeting held on June 27, 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 that he spoke with the day shift deputy and was advised that activity in the District has been slow over the past month. He then presented a sign that will be installed at Colonial Park regarding locking your car and hiding your belongings.

Ms. Crotwell reported that, pursuant to the Notice of Sale published by the District, Masterson received public bids for the sale of the District's proposed \$11,165,000 Unlimited Tax Bonds, Series 2023 (the "Bonds"). She stated that the District received four (4) bids and reviewed the attached bid tabulation with the Board. Ms. Crotwell advised the Board that Robert W. Baird & Co, Inc. submitted the apparent low bid at a net effective interest rate of 4.283276%. She advised that accuracy of the bids had been confirmed and recommended that the Board award the sale of the Bonds to Robert W. Baird & Co., Inc. Ms. Crotwell further advised that the District received an investment grade rating of AA from S&P Global Ratings and an insurance commitment from Assured Guaranty Mutual ("AGM"). After discussion, Director Lowery moved to accept the low bid of Robert W. Baird & Co., Inc. for the purchase of the Bonds at a net effective

interest rate of 4.283276% with insurance provided by AGM. Director Evans seconded the motion, which passed unanimously.

The Board next considered adoption of an Order authorizing the issuance, sale and delivery of the Bonds. Director Lowery moved to approve and adopt the Bond Order. Director Evans seconded the motion, which passed unanimously.

The Board next considered authorizing the completion and distribution of a Final Official Statement to be prepared by Masterson in connection with the Bonds. After review and discussion, Director Lowery moved to authorize the completion and distribution of a Final Official Statement. Director Evans seconded the motion, which passed unanimously.

The Board next considered approval of a Paying Agent/Registrar Agreement by and between the District and The Bank of New York Mellon Trust Company, N.A. relative to the Bonds. After discussion, Director Lowery moved to approve the Paying Agent/Registrar Agreement. Director Evans seconded the motion, which passed unanimously.

As the next order of business, the Board considered acting upon any other matters required in connection with the Bonds. Mr. Marks discussed various document required in connection with the sale of the Bonds. After further discussion, Director Lowery moved to authorize the District's officers to execute all documents required in connection with the sale of the Bonds, and to authorize MRPC to handle all matters relative to the Bond sale, including submission of a transcript of proceedings to the Attorney General of the State of Texas. Director Evans seconded the motion, which passed unanimously.

The Board next considered the engagement of an auditor to perform a developer reimbursement audit in connection with the District's Bonds. Mr. Marks advised that the District's auditor Mark C. Eyring, CPA, PLLC ("Eyring") provided a proposal for the preparation of the developer reimbursement audit. He noted that Eyring also provided an executed Form 1295. After discussion, Director Lowery made a motion to engage Eyring to prepare the developer reimbursement audit for the District's Bonds, at a cost not to exceed \$5,450. Director Evans seconded the motion, which carried unanimously.

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 then presented a proposal in the amount of \$22,181.56 to clean out the detention pond pilot channels at Colonial Parkway, Mason Seniors and Big Box. He noted that installation of the memorial plaques will likely be included for the same price. Director Ball stated that there will also be signs installed that are to provide a location of where you are in the park and to identify plants. Mr. Martin stated that he will follow up on those signs. After discussion, Director Ball made a motion to approve the proposal from FEEC in the amount of \$22,181.56, as discussed above. Director Evans seconded the motion, which unanimously carried.

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 Lowery made a motion to approve the reports and authorize the disbursements identified therein, with the exception of check no. 1756 issued to Texas Wall Landscape (“Texas Wall”), which was not approved because Texas Wall has still not paid FEEC. Director Evans seconded the motion, which unanimously carried.

The Board next considered the review and approval of a Resolution Authorizing Payment of Fees of Office. Mr. Ellis stated that House Bill 2815 adopted by the 88<sup>th</sup> Texas Legislature amended Section 49.060 of the Texas Water Code to allow districts to increase the daily fees of office limit to an amount not to exceed the amount of the Legislative per diem set by the Texas Ethics Commission. He noted that this amount is currently set at \$221 per day and that such amount is indexed for inflation. After discussion, Director Evans made a motion to approve the Resolution Authorizing Payment of Fees of Office and to authorize the Vice President and Secretary to execute same on behalf of the Board and the District. 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 June. She noted that 98.96% of the District’s 2022 taxes had been collected through June 30, 2023. After review and discussion of the reports, Director Lowery made a motion to approve the reports and authorize the disbursements identified therein. Director Ball 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 June 30, 2023. The Board next reviewed the attached written report dated July 25, 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 deferred consideration of the status of a sales and use tax report prepared by SRI until next month’s meeting.

Mr. Ellis next presented and reviewed with the Board a Second Amendment to the Sixth Amended and Restated District Information Form in connection with the recent legislative updates. After discussion, Director Evans moved to approve the amendment and that the Board members present be authorized to execute same. Director Lowery seconded said motion, which unanimously carried.

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 plans to submit design plans to Harris County within the next week.

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 twelve inch (12”) water line and all connections and punchlist items are being

addressed including hydro mulch along Colonial Parkway. He then presented Pay Application No. 14, in the amount of \$57,393.27, and recommended that the Board approve payment of same. After discussion, Director Ball made a motion to approve Pay Application No. 14, as discussed above. Director Lusby seconded the motion, which unanimously carried.

The Board next considered the status of the construction contract with Texas Wall for the Colonial Park project. Mr. Liu reported that the contractor installed bollards and stone columns at the shade structures and the emergency phone box is still outstanding. Director Ball stated that he would like to participate in the walkthrough and that there are doggie bags missing and there is an ant problem. Mr. Liu then presented Pay Application No. 7, in the amount of \$55,170.00, and Pay Application No. 8, in the amount of \$76,619.52, and recommended that the Board reconsider and approve payment of same pending FEEC's receipt of payment from Texas Wall. The Board again declined to approve payment of same.

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 all permits for the District are current.

The Board next considered the status of the HEB development. Mr. Liu stated that A&S received Phase 2 design plans today and will be reviewing same.

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 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. The Board deferred action on wastewater treatment plant capacity until next month's meeting.

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 June. Ms. Garza reported that 95% of the water pumped during the month of June had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

The Board next considered a request from MOC for a rate increase in the labor rates based on the CPI, including the approval of a Fourth Amendment to Professional Services Agreement between the District and MOC and Third Amendment to Professional Services Agreement for Joint

Water Treatment Plant between the District and MOC. Ms. Garza presented the attached Amendments and reviewed same with the Board. She then reviewed the new proposed rates attached as Exhibit A to the Amendments. After discussion, Director Ball made a motion to approve the Fourth Amendment to Agreement between the District and MOC and Third Amendment to Agreement for Joint Water Treatment Plant between the District and MOC, and authorize the Vice President and Secretary to execute same on behalf of the Board and the District. 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. Ms. Garza stated that the facilities were operated in compliance with the permit and operated at 60% of capacity for the month of June.

The Board next considered a discussion regarding the District's parks. Director Ball discussed language for the memorial plaques and presented a sample sign. He asked the Board about adding other names that may have been involved in development of the District or park. The Board ultimately decided not to add any new names to the plaque beyond the four names previously decided on. The Board agreed for the sign to say "in memory of" with the four names listed. After discussion, Director Evans made a motion to approve the sample sign and designation of four names on the memorial plaque, as discussed above. Director Ball seconded the motion, which unanimously carried.

The Board next considered the review and approval of Service Agreement between the District and Kings III of America, LLC. Mr. Ellis presented the Agreement and reviewed same with the Board. After discussion, Director Ball made a motion to approve the Service Agreement between the District and Kings III of America, LLC, and authorize the Vice President to execute same on behalf of the Board and the District. Director Evans seconded the motion, which unanimously carried.

The Board next recessed into Executive Session at 6:57 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code. The Board returned from executive session at 7:46 p.m.

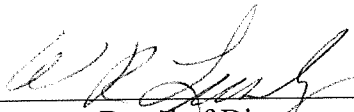
The Board next deferred taking action regarding real property matters pursuant to §551.072, Texas Government Code.

The Board next discussed land acquisition. After discussion, Director Evans made a motion to pursue acquisition of the desired tract for Water Plant No. 2, either through condemnation or purchase, and retain Charles McFarland as condemnation attorney. Director Lowery seconded the motion, which unanimously carried.

Mr. Ellis next presented and reviewed the attached Legislative Update of the 88<sup>th</sup> Regular Session of the Texas Legislature prepared by MRPC.

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