

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61**  
**Minutes of Meeting of Board of Directors**  
**August 22, 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 August 22, 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"); Lonnie Wright and Claudia Garza of Municipal Operations & Consulting, Inc. ("MOC"); Vanessa Hernandez of Myrtle Cruz, Inc.; Miranda Burks of Wheeler & Associates, Inc.; Mark Eyring of Mark C. Eyring, CPA, PLLC ("Eyring"); Derek Michael of SRI; Bintuan Zhu, resident; 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. Mr. Wright introduced Mr. Zhu to the Board and stated that he owns the property on Elrod where they used to mine bitcoin. He stated that they are using chilling towers and are using a lot of water. Mr. Ellis recommended that the Board close the comments, as there were no additional persons wishing to make comments, and consider the customer request under agenda item 15. The Board concurred and next moved to agenda item 15. Mr. Wright stated that MOC asked him to install a sub-meter beyond the regular meter to account for the water going into the sewer whereas the rest evaporates. Mr. Wright also suggested providing for an evaporation credit so that all the water is not being counted as discharged into the sanitary sewer. After discussion, Director Lowery made a motion to authorize an evaporation credit on Mr. Zhu's account and adjust for the last three months of water bills. Director Evans seconded the motion, which unanimously carried.

The Board next considered approval of the minutes of the Board of Directors meeting held on August 22, 2023. After discussion, Director Ball made a motion to approve the minutes of the meeting held on August 22, 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 the new night shift deputy started but he has not yet met her. He stated that he wanted to add curlage to the report, which is the boundary beyond the contract. Director Lowery stated that he wants to account for stops started within the district but culminate outside the District. He stated that all the number of stops increased per deputy when accounting for this additional area. Director Lowery stated that he has confirmed that the District has not been charged for nights when there was no deputy on duty.

The Board next considered the review and approval of the Interlocal Agreement for Law Enforcement Services between the District and Harris County, to be effective October 1, 2023. Mr. Ellis noted that the Agreement will be for a one-year term effective October 1<sup>st</sup> and that there is a 5% cost increase from last year. After discussion, Director Lowery made a motion to approve the Interlocal Agreement for Law Enforcement Services between the District and Harris County. Director Evans seconded the motion, which unanimously carried.

The Board next discussed a request received for all of the security reports for the District over the last two (2) years. Mr. Ellis noted that the request was not made in writing but recommended that the District provide the requested documents. The Board concurred that MRPC should assemble and provide the requested documents.

The Board next considered approval of an audit relative to payment of proceeds of the District's \$11,165,000 Unlimited Tax Bonds, Series 2023 (the "Bonds") and authorizing disbursement of Bond proceeds in accordance therewith. Mr. Eyring reviewed with the Board the attached draft reimbursement audit report which had been prepared by Eyring in connection with the reimbursement of costs. Mr. Eyring discussed the amount to be reimbursed to Mason & Franz Partners, LP. After discussion on the matter, Director Lowery made a motion to approve the report and authorize payment to pay the developer in accordance with the audit report. Director Evans seconded the motion, which carried unanimously.

Mr. Eyring reported that his fees will be increasing for the preparation of the audit report for the District and requested that an item be added to the agenda for next month's meeting to consider the engagement of auditor at the increased costs. The Board concurred with the request.

The Board next considered review, execution and filing of Internal Revenue Service reporting form 8038-G relative to the District's Bonds. Mr. Marks reviewed the report. After discussion, Director Lusby moved to approve the reporting form and to authorize the President of the Board to execute same on behalf of the Board and District. Director Lowery seconded the motion, which carried unanimously.

Mr. Marks next presented the attached correspondence from MRPC, as bond counsel, regarding the expenditure and investment of the bond proceeds and Internal Revenue Service restrictions on same.

The Board next considered the approval and execution of various closing documents. Mr. Marks reviewed various closing documents with the Board, including the No-Litigation Certificate, the District's Receipt, and the Federal Tax Certificate, and advised that the closing is scheduled for Wednesday, August 30, 2023, at 10:00 a.m. After discussion, Director Evans a motion to approve the above-referenced documents, to authorize the Vice President and Secretary to execute same on behalf of the Board and District and to authorize the disbursement of funds in accordance with the closing memo prepared by Masterson. Director Lowery seconded the motion, which carried unanimously.

Mr. Marks next presented and reviewed with the Board an Amendment to the Sixth Amended and Restated District Information Form in connection with the issuance of the Series 2023 Bonds. 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 a report on mowing activity within the District. Mr. Ellis 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 ("WHCRWA"). Mr. Ellis stated that the WHCRWA initiated Stage 1 of the Drought Contingency Plan which then triggers the District to initiate Stage 1 of its Drought Contingency Plan ("DCP"). Mr. Wright stated that MOC installed DCP signs within the District and noted that well run times are looking good.

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. 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 July. She noted that 99.16% of the District's 2022 taxes had been collected through July 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 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 July 31, 2023. The Board next reviewed the attached report dated August 22, 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 discussed the number of accounts not yet collected. In response to the Board's request, Mr. Marks stated that he will follow up Perdue to discuss the number of delinquent accounts listed on the report.

The Board next considered the status of a sales and use tax report prepared by SRI. Mr. Michael stated that SRI identified one hundred fifty (150) 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.

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 is working to finalize design plans to submit 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 Change Order No. 3, in the amount of \$42,232.00, which reflects quantities constructed and not constructed in the field, along with executed Form 1295, and recommended that the Board approve payment of same. After discussion, Director Evans made a motion to approve Change Order No. 3, as discussed above, with the finding that same is necessary and beneficial for the District. Director Lowery 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 substantial completion inspection was held on August 4, 2023 and punch list items were noted. He then presented Pay Application No. 7, in the amount of \$55,170.00, Pay Application No. 8, in the amount of \$76,619.52, and Pay Application No. 9, in the amount of \$2,025.00, and recommended that the Board approve payment of same. After discussion, Director Ball made a motion to approve Pay Application No. 7, in the amount of \$55,170.00, Pay Application No. 8, in the amount of \$76,619.52, and Pay Application No. 9, in the amount of \$2,025.00, as discussed above. Director Lowery 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 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 and provided the developer with additional comments on July 26, 2023.

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 notified WHCRWA of the future Water Plant No. 2 and having the thirty-foot (30’) water line easement at the new plant in lieu of the Williamsburg Water Plant.

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 July. Mr. Wright reported that 93% of the water pumped during the month of July had been accounted for, and that the District’s facilities had been operated in compliance with their respective permits.

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 July.

The Board next considered a discussion regarding the District's parks. Director Ball stated that Director Lusby met with Texas Wall and Kings III at the park for installation of the emergency phone. Director Lusby stated that he put together some additional materials to make it look better but would like to revisit it when the weather is cooler. Director Ball stated that Mr. Martin is obtaining estimates on additional signs. Director Lusby then discussed a resident's request to use a confetti cannon and he stated that he dissuaded the woman from using same.

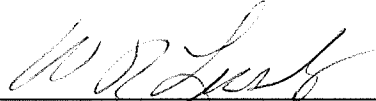
The Board next recessed into Executive Session at 6:50 p.m. to discuss real property matters pursuant to §551.072, Texas Government Code. The Board returned from executive session at 7:27 p.m.

The Board next discussed land acquisition. After discussion, Director Evans made a motion to approve the purchase of HCMUD 62's 1/3 interest in the Williamsburg Water Plant, including equipment and capacity, for \$700,000 and to split the cost of \$21,140 for the valve and blow off installation by MOC to separate the District and HCMUD 62's water systems. Director Lowery seconded the motion, which unanimously carried.

The Board requested that MRPC continue negotiations for the purchase of a site for Water Plant No. 2 and to consult with Directors Ball and Evans as needed.

The Board next considered matters for possible placement on future agendas. Director Ball discussed possibly holding a community event for the opening of Colonial Park but suggested holding off until next year.

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



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Secretary, Board of Directors