

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
September 26, 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 September 26, 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.; Richard Martin of First Erosion Environment Controls (“FEEC”); Christine Crotwell of Masterson Advisors LLC (“Masterson”); Deputy Nathan Keys of Harris County Sheriff’s Office (“HCSO”); Evin Martinez, resident; and David Marks and Jacquelyn Gomez 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 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 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. Deputy Keys introduced himself to the Board and stated that he was transferred to the District’s contract. Director Lowery reported that there is another new deputy on the contract named Deputy Sanchez but he has not yet met him.

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.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority (“WHCRWA”). Director Evans stated that he had nothing new to report other than that WHCRWA is advertising for bids for the final project.

The Board next deferred consideration of the engagement of an auditor for the fiscal year ended October 31, 2023, including the review and approval of a rate increase request from Mark C. Eyring, CPA, PLLC.

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.

Ms. Hernandez reviewed the attached draft budget and stated that same will be considered at next month's meeting. The Board then deferred action on the matter until next month's meeting.

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 August. She noted that 99.36% of the District's 2022 taxes had been collected through August 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 Evans 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 August 31, 2023. The Board next reviewed the attached report dated September 26, 2023, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue") The Board discussed the account for 22418 Wetherburn. In response to the Board's request, Mr. Marks stated that he will follow up with Perdue to discuss the delinquent account noted above.

The Board next received the Financial Advisor's recommendation concerning the establishment of the District's 2023 tax rate and the consideration of a proposal of the District's 2023 tax rate. Ms. Crotwell reviewed the attached 2023 Debt Service Tax Rate Recommendation, which included the financial advisor's recommendation that the District levy a 2023 total combined tax rate of \$0.435, consisting of \$0.315 debt service tax and \$0.12 maintenance tax. The Board discussed the recommendation. Ms. Crotwell noted that the recommended rate is below the rollback rate. After discussion, Director Lusby made a motion to authorize the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a combined proposed 2023 tax rate of \$0.45 per \$100 of assessed valuation, consisting of \$0.315 debt service tax and \$0.135 maintenance tax to be held at the District's next regular meeting. Director Ball 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 submitted design plans to Harris County and awaits comments to same.

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 construction is complete, and A&S is working on closing out the project. He then presented Pay Application No. 15 and Final, in the amount of \$48,433.95, and recommended that the Board approve payment of same. Director Ball expressed his concerns about approving the final pay application prior to all items being complete. He stated that he is concerned that the recent rains have caused certain areas to be impacted. After discussion, Director Lusby made a motion to approve Pay Application No. 15 and Final, in the amount of \$48,433.95, as discussed above. Director Lowery seconded the motion, with Directors Lusby, Lowery and Evans voting in favor and Director Ball voting against.

The Board next considered the status of the construction contract with Texas Wall for the Colonial Park project. Mr. Liu reported that the construction is complete, and A&S is working on closing out the project. He noted that the temperatures and drought are affecting the completion of planting.

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 awaits execution of the water line easements before providing the no objection letter.

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.

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

The Board next considered the review and approval of a Service Maintenance Agreement with Lake Management Services, L.P. (“LMS”). Mr. Liu presented and reviewed the attached Agreement from LMS for the monthly lake management schedule and scope of work for the period January 1, 2024, through December 31, 2024, for an annual cost of \$8,620. He noted that the additional hourly fee is \$155.00 per hour plus a \$90.00 trip charge. After discussion, Director Lusby made a motion to approve the Agreement for an annual cost of \$8,620, and to authorize the Vice President to execute same on behalf of the Board and the District. Director Ball seconded the motion, which unanimously carried.

The Board next considered the review and approval of an Agreement for Sale and Assignment of Harris County Municipal Utility District No. 62’s (“No. 62”) 1/3 interest in the Williamsburg Regional Water Plant and all land and facilities appurtenant thereto between the District and No. 62 (“Agreement”). Mr. Marks presented the Agreement and reviewed same with

the Board. After discussion, Director Evans made a motion to approve the Agreement, 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 review and approval of an Emergency Water Supply and Interconnect Agreement between the District and No. 61. Mr. Marks presented the Emergency Water Supply and Interconnect Agreement and reviewed same with the Board. After discussion, Director Evans made a motion to approve the Emergency Water Supply and Interconnect Agreement between the District and No. 62, and to authorize the Vice President and Secretary to execute same on behalf of the Board and the District. Director Lusby seconded the motion, which unanimously carried.

The Board next considered the review and approval of a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned thereon in connection with the purchase by the District of No. 62's 1/3 interest in the Williamsburg Regional Water Plant. Ms. Hernandez stated that the District has surplus funds in the amount of \$710,570. Mr. Marks stated that this amount is available to purchase No. 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 No. 62's water systems. After discussion, Director Lowery made a motion to approve the attached Resolution Authorizing Use of Surplus Construction Funds and Interest Earned thereon, as discussed above, and to authorize the Vice President and Secretary to execute same on behalf of the Board and the District. Director Lusby 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 August. Mr. Wright reported that 94% of the water pumped during the month of August 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 59% of capacity for the month of August.

Mr. Wright stated that the WHCRWA initiated Stage 2 of the Drought Contingency Plan which then triggers the District to initiate Stage 2 of its Drought Contingency Plan.

Mr. Wright next presented the well no. 1 report and reviewed same with the Board. He stated that well no. 1 had a drop in capacity related to a drop in the water table.


The Board next considered a discussion regarding the District's parks. Director Lusby reported on the communication devices in the park. He stated that one device has been fixed and the other device will be fixed soon.

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

The Board next discussed land acquisition. No one present had anything new to report.

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