

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
February 25, 2025

The Board of Directors of Harris County Municipal Utility District No. 61 met at 1825 N. Mason Road, Katy, Harris County, Texas 77449 on February 25, 2025, 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 Directors Lusby and Evans, 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.; Stephanie Dorrough of Wheeler & Associates, Inc.; Christine Crotwell of Masterson Advisors, LLC; Angie Hartwell of First Environment Erosion Controls ("FEEC"); Mark Eyring of Mark C. Eyring, CPA, PLLC ("Eyring"); Derek Michael of Sales Revenue, Inc. ("SRI"); Judith McClaghlin and Alecia Pacheco of One Creek West ("OCW"); and Jacquelyn Goodwin 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 January 28, 2024. After discussion, Director Ball made a motion to approve the minutes of the meeting held on January 28, 2024, as presented. Director Lowery seconded the motion, which carried unanimously.

The Board next considered a report relative to security patrol services provided by the Harris County Sheriff's Office ("HCSO"). Director Lowery reported on activity in the District for the month of January. He stated that the day shift deputy was promoted to traffic duty and a new deputy has been assigned to work the day shift for the District. Director Lowery noted that there was one arrest made for a crime that was not committed in the District. Director Ball requested that HCSO add a disclaimer to the security report advising that HCSO is responsible for any errors reflected or omitted from the report.

The Board next considered approval of the audit report for fiscal year ended October 31, 2024. Mr. Eyring presented and reviewed the draft audit report. After discussion, Director Ball made a motion to approve the audit report for the fiscal year ended October 31, 2024, subject to review by MRPC, to authorize the President to execute the Annual Filing Affidavit on behalf of

the Board and District, and to file the audit report and Annual Filing Affidavit with the appropriate governmental authorities. Director BeMent seconded the motion, which unanimously carried.

The Board next considered a presentation from One Creek West ("OCW") for construction of a sidewalk. Ms. McLaughlin next presented a PowerPoint presentation for the Williamsburg Neighborhood Sidewalk Opportunity and reviewed same with the Board. She requested a letter of support from the District to Precinct 4 showing support for the sidewalk project along Franz Road to improve the safety of students who walk to Morton Ranch schools. The Board requested that a request for construction of a sidewalk on the south side of Franz Road also be presented to Precinct 4. After discussion, Director BeMent made a motion to authorize the issuance of a letter of support for the Williamsburg Neighborhood Sidewalk Opportunity from the District to Precinct 4, pending review by MRPC of the letter of support drafted by OCW. Director Lowery seconded the motion, which unanimously carried.

The Board next considered a report from FEEC relative to mowing and detention pond maintenance within the District. Ms. Hartwell presented the attached report and reviewed same with the Board. Director Ball asked that FEEC research whether payment was received for the stump grinding of a tree at Colonial Park and replacement with a Live Oak tree. Ms. Hartwell agreed to same. She also stated that the leaning tree was not due to being hit by a car but instead from wind damage. She noted that the leaning tree is not a concern at this time.

The Board next discussed the District's parks. No one present had anything new to report other than that which was discussed above.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority ("WHCRWA"). Director BeMent gave an update on the status of projects for the WHCRWA.

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

The Board next considered the status of collection of taxes. Ms. Dorrough reviewed the attached tax assessor's report and the delinquent tax roll for the month of January. She noted that 93.02% of the District's 2024 taxes had been collected through January 31, 2025. 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 January 31, 2025. The Board next reviewed the attached report dated February 25, 2025, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

Ms. Goodwin next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VII, Section 1-b of the Texas

Constitution, and Sections 11.13 and 11.184 of the Property Tax Code. Ms. Crotwell then presented the attached handout of 2025 over 65 or disabled exemption analysis for the District and reviewed same with the Board. The Board discussed increasing the exemption for those taxpayers who are disabled or aged 65 or older from \$105,000 to \$115,000. After discussion on the matter, Director Ball made a motion to adopt a twenty percent (20%) general homestead exemption and a \$115,000 exemption for taxpayers who are under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance or are sixty-five (65) years of age or older disabled or age 65 or older and to approve the attached Resolution Concerning Exemptions from Taxation. Director BeMent 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 two (2) new sales tax permits, one (1) new business entity providing a non-taxable service, and two (2) new vacancies. He noted that SRI reported the businesses without permits to the Comptroller.

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 authorizing the preparation of plans for construction of Water Plant No. 2. Mr. Liu stated that A&S is working with structural, electrical and well engineers on design plans. He then presented the preliminary site plan of the Water Plant and reviewed same with the Board.

The Board next deferred the status of construction contracts as the District does not have any current construction projects.

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 permit application for the Mason/Franz Storm Trooper storm water quality permit was submitted and A&S awaits a response from Harris County. He stated that all of the other storm water quality permits are up to date.

The Board next discussed the WHCRWA water line easement acquisition. Mr. Liu reported that A&S is coordinating with the WHCRWA on the surface water line.

The Board next considered the status of the Colonial Park pond fountains. Mr. Liu stated that Lake Management Services ("LMS") completed scheduled maintenance on February 10, 2025, and inspected fountains, lights and timers.

The Board next considered the issuance of utility commitments. Mr. Liu stated that he had nothing new to report.

The Board next considered approval of an Amendment to the General Engineering Agreement. Mr. Liu presented the attached Amendment to General Engineering Agreement and reviewed same with the Board. He then reviewed the Proposed Schedule of Hourly Rates and Reimbursable Costs attached as Exhibit A to the Amendment. Director Ball requested that moving forward, consultants present the request for a fee increase at one meeting and the Board approve the increase at the following meeting. The Board then requested that an item be added to the agenda for next month's meeting to consider approval of a rate increase from A&S, including approval of an Amendment to General Engineering Agreement between the District and A&S.

The Board next considered the status of the proposed annexation of Dhanani/Burger Bodega 0.6170-acre tract of land into the District. Ms. Goodwin reported that the annexation package was submitted to the City of Houston on January 20, 2025, with additional items submitted on January 21, 2025.

The Board next considered a report on the District's water, sanitary sewer, and storm sewer systems for the month of January. Ms. Garza reported that the District accounted for 93% of the water pumped during the month of January and that MOC operated the District's facilities in compliance with their respective permits.

Ms. Garza presented operation jobs completed over the past month and reviewed same with the Board. She stated that there is a water leak on Wetherburn and that Arandas Construction is coming next week to investigate and repair the water leak.

Ms. Garza next requested that the Board authorize MOC to turn over two (2) delinquent accounts in the total amount of \$268.69 to Collections Unlimited ("CU"). After discussion, Director Ball moved to authorize MOC to turn over the two (2) subject accounts 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. Ms. Garza stated that MOC operated the facilities in compliance with the plant permit, and the plant operated at 58% of capacity for the month of January.

The Board next considered the renewal of the District's insurance coverage for term expiring March 31, 2025. Ms. Goodwin reviewed the attached renewal proposals received from Gallagher relative to property, comprehensive boiler and machinery, commercial general liability and hired care and non-ownership automobile liability, pollution liability, directors and officers liability, umbrella, public employee blanket crime, directors position schedule bond, tax assessor/collector bond, worker's compensation, and business travel coverage scheduled to expire on March 31, 2026. The Board requested that MRPC request an insurance proposal from a different insurance carrier for review at next month's meeting.

The Board next considered the review and approval of a fee increase by MRPC. Ms. Goodwin reviewed the attached proposed MRPC Rates with the Board and noted that the increase will become effective March 1, 2025. The Board requested that the bookkeeper provide information regarding the impact the proposed increase will have on operating budget. The Board deferred action on the matter at this time.

The Board next entered into Executive Session at 7:07 p.m. to consult with the District's attorney regarding a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with §551.071, Texas Government Code. The Board returned from executive session at 7:59 p.m.


The Board next deferred taking action regarding matters related to consulting with the District's attorney regarding a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with §551.071, Texas Government Code.

The Board next considered adoption of a policy regarding provision of public information in accordance with Chapter 552 of the Texas Government Code, as amended. After discussion, Director BeMent made a motion to adopt a policy regarding provision of the monthly security reports prepared in accordance with the District's Interlocal Agreement for Law Enforcement Services with the Harris County Sheriff's Office pursuant to a request made by the Williamsburg Settlement Maintenance Association, that sets out that the District will disseminate such information to the Williamsburg Settlement Maintenance Association within ten (10) business days of the District's receipt of such report. Director Lowery seconded the motion, which unanimously carried.

The Board next considered the review and collection of documentation requiring signature by the Board of Directors.

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
February 25, 2025

1. Draft Audit
2. Williamsburg Neighborhood Sidewalk Opportunity
3. FEEC Report
4. Bookkeeper's Report
5. Tax Assessor-Collector's Report
6. Delinquent Tax Report
7. 2025 Over 65 and Disabled Exemption Analysis
8. Tax Exempt Resolution
9. Sales Tax Allocation Report
10. Engineer's Report with related correspondence
11. Operations Report and related correspondence
12. Insurance Renewal Proposal
13. MRPC Rates