

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61**  
**Minutes of Meeting of Board of Directors**  
**January 24, 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 January 24, 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 Jim Ainsworth and Jonathan Liu 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.; Anthea Moran of Masterson Advisors LLC (“Masterson”); Derek Michael of Sales Revenue Inc. (“SRI”); Sergeant Ortiz, Deputy Waits and Deputy Randolph of Harris County Sheriff’s Office (“HCSO”); 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 meetings held on December 15, 2022 and December 20, 2022. After discussion, Director Evans made a motion to approve the minutes of the meetings held on December 15, 2022 and December 20, 2022, as presented. Director Ball 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 Waits reported on activity in the District for the month of December. She reported that she served two (2) felony warrants on a person who also had four (4) outstanding warrants from Fort Bend County. She noted that she brought another person in on a felony warrant. Deputy Waits stated that there have been seven (7) arrests so far this month. She stated that a suspect was arrested who fled after an attempt to pull him over for speeding and then saw a gun when the suspect got out of the vehicle and seized the gun and drugs. Deputy Waits stated that she has been trying to clear out a homeless encampment in a wooded area next to an apartment complex. The Board noted that this is a Westside Ventures property and there may be a trespassing affidavit on file. Deputy Randolph then introduced himself to the Board and stated that he is the current evening shift deputy. He stated that that he got a criminal trespass affidavit on a property where people have been doing parking lot takeovers and spinning out their cars and causing a lot of noise after hours. He noted that he will start making arrests if same continues. Deputy Randolph also mentioned a lot of noise occurring near the H-Mart and HCSO shut down the activity. Sergeant Ortiz then introduced herself and stated that she has been working this area

for about six (6) years but has recently been appointed the contract liaison officer for the District. She stated that she handles operational support but not questions regarding terms of the District's contract.

Director Lowery then reviewed correspondence received from HCSO regarding patrol contract pricing starting October 1, 2023 through September 20, 2024.

The Board next considered the status of preparation of Bond Application Report No. 11. Mr. Marks reviewed the Future Bond Issue Options discussed at last month's meeting, which included the options for a: 1) Remote Water Well, 2) Water Plant and Water Well, 3) Lift Station, Water Plant and Water Well, and 4) Remote Water Well and Water Plant site. He reminded the Board that it authorized the District's consultants to proceed with preparation of a Bond Application Report for a Water Plant and Water Well (Option 2) with a bond issue requirement amount of \$9,345,000, and also to include additional amounts in the Bond Application Report to provide for improvements to the District's existing Water Plant. Mr. Marks then reviewed the attached revised Summary of Costs from A&S for the Water Plant and Water Well option with a bond issue requirement of \$10,610,000. He noted that the construction costs include money for a new Water Plant, money for the Williamsburg Plant improvements and the reimbursement items for Mason Franz Partners. Ms. Moran then reviewed the attached No Growth Cash Flow Analysis, which reflects that the bond issue requirement of \$10,610,000 will work without increasing the overall tax rate. Mr. Ainsworth stated that A&S will have a walkthrough of the Williamsburg Plant soon with the engineer and operator for Harris County MUD No. 62. Mr. Marks asked if there were any objections to the bond cost summary and there were no comments from the Board. He also suggested using a real estate broker to research a site for the new Water Plant. After discussion, Director Lusby made a motion to (i) authorize the District's consultants to proceed with preparation of a Bond Application Report for a Water Plant and Water Well (Option 2), with a bond issue requirement amount of \$10,610,000, and (ii) authorize MRPC and A&S to engage a real estate broker in finding a suitable site for the new Water Plant. Director Evans seconded the motion, which unanimously carried.

The Board next deferred consideration of a report on mowing activity within the District as 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"). Director Evans provided a status update on the WHCRWA's project to bring in surface water to the District and stated that the WHCRWA is making progress and still on schedule with the project.

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.

Mr. Ellis next advised the Board that provisions of the Public Funds Investment Act require the Board to review, revise and adopt at least annually a list of qualified brokers authorized to engage in investment transactions with the District. He reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the

District, and the attached list of financial institutions, brokers and dealers attached thereto as Exhibit "A." Mr. Ellis recommended to the Board that if any of the directors have a relationship with any of the institutions shown on the list that could create a conflict of interest, then that institution(s) should be deleted from the list that the Board adopts. After discussion, Director Lowery made a motion to approve the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District. 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 December. She noted that 41.10% of the District's 2022 taxes had been collected through December 31, 2022. 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 December 31, 2022. The Board next reviewed the attached written report dated January 24, 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 considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes. Mr. Ellis advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the delinquent personal property taxes due to the District that became delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent. After discussion, Director Evans made a motion to adopt the attached Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes and to authorize Perdue to proceed with the collection of the District's delinquent personal property accounts following proper notice as provided in the Resolution, including the filing of lawsuits, as necessary. Director Lowery seconded the motion, which unanimously carried.

The Board next considered a presentation from SRI regarding a sales and use tax report. Mr. Michael presented the attached Proposal for Sales Tax Review and Compliance Reporting Services and discussed the company overview, qualifications of SRI, data compilation, monitoring of sales receipts, recovery of missing sales tax receipts, analytical reporting, billing and possible results. He also presented the attached draft Sales and Use Tax Administration Report for the District and discussed same with the Board. Director Ball asked about pricing for the sales and use tax reporting. Mr. Michael reported that the cost is a flat rate fee of \$400 per month. After discussion, Director Evans made a motion to approve the proposal from SRI in the amount of \$400 per month, engage SRI for sales and use tax reporting, and authorize the Vice President and Secretary to execute the Agreement for Services for Sales Tax Monitoring on behalf of the Board and the District. Director Lowery seconded the 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. Mr. Liu then reviewed the attached report.

The Board next considered approval of plans for the modifications of the Franz Road Sheet Flow Road Adjustments. Mr. Liu stated that Harris County Precinct 4 had no objection to the proposed raising of Gatwick Lane by six (6) inches, but raised concern for sheet flow entering residential backyards along the south side of Franz Road. He stated that A&S is working with HT&J, LLC over the concern and including additional information and data in the sheet flow analysis report. Mr. Liu stated that A&S continues design on the proposed project.

The Board next considered the status of the construction contract with Aranda Industries, LLC (“Aranda”) for Water Line Replacement, Phase II. Mr. Liu reported that A&S provided the updated permitted plans to Aranda for the 12-inch water line installation across and along Colonial Parkway. He then presented Pay Application No. 13, in the amount of \$20,264.22, and recommended that the Board approve payment of same. After discussion, Director Lowery made a motion to approve Pay Application No. 13, as discussed above. Director Evans seconded the motion, which unanimously carried.

The Board next considered the status of the construction contract with Texas Wall Landscape for the Colonial Park project. Mr. Liu reported that the contractor completed installing the irrigation system and prepping tree and flower beds. He then presented Pay Application No. 4, in the amount of \$258,779.52, and Pay Application No. 5, in the amount of \$58,050.00, and recommended that the Board approve payment of same. After discussion, Director Lowery made a motion to approve Pay Application No. 4 and Pay Application No. 5, as discussed above. Director Evans 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 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.

Mr. Liu reported on the status of the Harris County Precinct 3 sidewalk project. He stated that there has been no change and that MOC is monitoring the status. Director Ball requested that the item be removed from the agenda hereafter.

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 and provided comments for Phase 2. He stated that A&S has received easement documents from MRPC for the proposed Water Line Easements along Elrod Road and are currently coordinating with property owners regarding execution.

The Board next considered the status of the C-Store development at 21826 Franz Road. Mr. Liu stated that A&S provided comments to the developer and is awaiting the revised plans.

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 December. Ms. Garza reported that 93% of the water pumped during the month of December had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Ms. Garza next requested that the Board authorize MOC to turn over three (3) delinquent accounts in the total amount of \$328.98 to Collections Unlimited ("CU"). After discussion, Director Ball moved to authorize MOC to turn over the three (3) subject accounts to CU, as set out above. Director Evans seconded the motion, which unanimously carried.

Ms. Garza reported on the renter who resides at 1714 Durfey and has a backed up sewer line going into their house and sewage running into the yard. She stated that the Harris County Health Department is now involved and MOC is awaiting an update from said agency.

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 56% of capacity for the month of December.

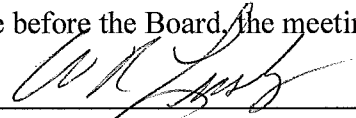
The Board next considered authorizing MOC to provide required information to districts receiving water through emergency interconnect relative to Consumer Confidence Reports. After discussion, Director Evans made a motion to authorize the operator to provide the required information to districts receiving water through emergency interconnect relative to Consumer Confidence Reports. Director Lowery seconded the motion, which unanimously carried.

The Board next deferred consideration of the review and approval of a new Emergency Water Supply Agreement between the District, Harris County MUD No. 62, Harris County MUD No. 64, Harris County MUD No. 65 and West Harris County MUD No. 2 until next month's meeting.

The Board next considered a discussion regarding the District's parks. 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

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS  
January 24, 2023

1. Revised Summary of Costs from A&S
2. No Growth Cash Flow Analysis from Masterson
3. Bookkeeper's Report
4. Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with District
5. Tax Assessor-Collector's Report
6. Delinquent Tax Report
7. Resolution Authorizing Additional Penalty on Delinquent Personal Property Taxes
8. Proposal from SRI and Sales and Use Report for the District
9. Engineer's Report with related correspondence
10. Operations Report and related correspondence