

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
November 19, 2019

The Board of Directors of Harris County Municipal Utility District No. 61 met at 1825 N. Mason Road, Katy, Harris County, Texas 77449, on November 19, 2019, 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 Ball, thus constituting a quorum.

Also present were Jim Ainsworth of A&S Engineers, Inc. ("A&S"); Mike Williams and Claudia Garza of Municipal Operations & Consulting, Inc. ("MO&C"); Tina Kelsey of Myrtle Cruz, Inc. ("MC"); Caryn Adams of Wheeler & Associates, Inc. ("W&A"); Richard Martin of First Environment Erosion Controls ("FEEC"); Kelly Gard of KGA DeForest Design, LLC ("KGA"); Amanda Galvan of Acclaim Energy ("Acclaim"); and David Marks 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 a report on website maintenance by Off Cinco. Director Lusby reported on the status of the newly updated website by Off Cinco and stated that the updates are complete and the website is now live.

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 a report from Acclaim Energy regarding the energy market. Ms. Galvan presented and reviewed the attached Energy Market Update. She stated that the District's current contract is with MP2 at a rate of \$0.04204 per kWh with an end date of May 31, 2021. She then discussed the electricity pool market with a proposed contract rate of \$0.03995 with an end date of April 30, 2029. After discussion, Director BeMent made a motion to participate in the electricity pool at a contract rate of \$0.03995 per kWh with an end date of April 30, 2029, and to authorize Director BeMent to execute the Contract on behalf of the Board and the District. Director Evans seconded the motion, which unanimously carried.

The Board next considered approval of the minutes of the Board of Directors meeting held on October 22, 2019, October 28, 2019, 2019 and October 30, 2019. After discussion, Director Lowery made a motion to approve the minutes of the meeting of October 22, 2019, October 28, 2019, and October 30, 2019, as presented. 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 ("WHCRWA"). Mr. Marks discussed correspondence received from the WHCRWA regarding the increase in its surface water fee to \$3.60 and its pumpage fee to \$3.20 effective January 1, 2020.

The Board next considered the financial and investment reports and invoices presented for payment. Ms. Kelsey distributed the attached bookkeeping reports, investment inventory reports and bills for payment. After review and discussion, Director Evans made a motion to approve payment on the General Operating Account of check nos. 7406 through 7433 inclusive, on the Capital Projects Fund of check no. 1272, on the Construction Park Bond Account of check nos. 1075 through 1077, and on the Williamsburg Water Plant General Operating Account of check nos. 3896 through 3905, inclusive, as identified in the reports. Director Lowery seconded the motion, which carried unanimously.

The Board next considered the annual review of the District's Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Order") and the adoption of a related Resolution. Mr. Marks advised that there are no proposed changes to the Order at this time and recommended that the current Order remain in effect. After discussion, Director Lusby made a motion to adopt the attached Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer, and to authorize the President to sign and the Secretary to attest the Resolution on behalf of the Board and District. Director Evans seconded the motion, which carried unanimously.

The Board next considered the status of collection of taxes. Ms. Adams reviewed the attached tax assessor's report and the delinquent tax roll for the month of October. She reported that 2.38% of the District's 2019 taxes had been collected through October 31, 2019. After review and discussion of the reports, Director BeMent made a motion to approve the reports and authorize payment on the Tax Account, of check nos. 2536 through 2544, inclusive, as identified in the report. Director Lowery seconded the motion, which carried unanimously.

There was next a discussion regarding the status of the District's delinquent tax accounts. Ms. Adams reviewed the attached Delinquent Collections Listing as of October 31, 2019. She next reviewed the attached written report dated November 19, 2019, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

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. Ainsworth reviewed the attached report.

The Board next considered approval of plans and specifications and authorizing advertisement for bids and/or award of construction contract for Waterline Replacement, Phase II. Mr. Ainsworth reported that A&S submitted plans to Harris County for final approvals and will be working to finalize the contract documents while awaiting review agency comments.

The Board next considered approval of the award of construction contract for expansion of water, sanitary sewer and drainage facilities to serve Skybox expansion. Mr. Ainsworth stated that A&S met with Skybox and provided them a copy of the feasibility study as well as a summarized memorandum documenting what would be necessary to serve them for the first phase of the Stage 1A expansion. He stated that A&S is tentatively scheduled to meet with Skybox in December.

The Board next deferred approval of plans and specifications and authorizing advertisement for bids for rehabilitation of the Franz Road lift station.

The Board next considered approval of plans and specifications for the weir elevation modification. Mr. Ainsworth stated that A&S revised the drawings to reflect the forty foot (40') wide weir elevation and submitted same to Harris County for review. He stated that A&S received comments back from Harris County, Kinder Morgan and KGA. Mr. Ainsworth then requested authorization to advertise for the project. After discussion, Director Lusby made a motion to authorize A&S to advertise for bids for the weir elevation modification project. Director BeMent 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. Mr. Ainsworth reported that the work continues on the easements from Mason & Franz Partners, LP ("M&F").

The Board next considered the status of storm water quality permits. Mr. Ainsworth stated that the storm water quality permits for Mason/Franz Storm Trooper, Mason Ranch Detention Pond, Mason Seniors Detention Pond and Westside Office Park Detention Pond are all up to date.

The Board next considered a discussion regarding the proposed regional lift station. Mr. Ainsworth stated that A&S prepared a letter to Harris County Municipal Utility District No. 62's ("HCMUD No. 62") engineer discussing the necessary District capacity for the regional lift station. He also noted that A&S requested a copy of the proposed Agreement and has not yet received same. After discussion, Director Evans made a motion to authorize A&S to send the correspondence to HCMUD No. 62's engineer. Director Lowery seconded the motion, which unanimously carried.

Mr. Ainsworth reported on the status of the Mason and Franz development. He stated that construction has started on the M&F development and that A&S has had meetings with the Developer and Developer's Engineer. He stated that A&S has not received an update from MOC in regards to the damages incurred from Tropical Storm Imelda.

Mr. Ainsworth reported on the retail strip center on the east side of Mason Road. He stated that A&S was informed today that the potential buyer is no longer pursuing the tract for development.

The Board next considered a report on the status of the plans for Skybox Stage 1A expansion. The Board then discussed the water plant and acquisition or lease of capacity from HCMUD No. 62. The Board took no action on the matter.

The Board next considered the status of annexation requests. Mr. Ainsworth reported that the additional tract that Mr. Gatzke is working to purchase is under contract. He stated that Mr. Gatzke is still working to move forward with the development.

The Board next considered a report on the Franz at Elrod development. Mr. Ainsworth stated that A&S does not have an update this month.

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 October. Mr. Williams reported that 103% of the water pumped during the month of October had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Mr. Williams reviewed the reports from GM Services for the water well nos. 1 and 2 performance testing and stated that the reports reflect that the water wells are operating in satisfactory condition.

Mr. Wright next requested that the Board authorize MOC to turn over one (1) delinquent account (over \$25.00) in the total amount of \$168.32 to Collections Unlimited ("CU"), and to write-off one (1) delinquent account in the total amount of \$25.80, as shown on the list attached to the Operator's Report. After discussion, Director Evans moved to authorize MOC to turn over the one (1) subject account to CU, and write-off the one (1) subject account, as set out above. Director Lusby seconded the motion, which passed unanimously.

The Board next considered the report on the regional sewage treatment plant, including compliance with the wastewater discharge permit. Mr. Williams stated that the facilities were operated in compliance with the permit and operated at 43% of capacity for the month of October.

The Board next considered the review and approval of an Interlocal Agreement with the Harris County Sheriff's Office ("HCSO") for security patrol in the District. Mr. Marks then reviewed the Agreement with the HCSO for two (2) deputies on an 80/20 basis. Director BeMent stated that HCMUD No. 62 has approved proceeding with the shared Interlocal Agreement and that HCMUD No. 62's attorney is supposed to be sending a proposed agreement to the District for review. After discussion, Director BeMent made a motion to approve the shared Interlocal Agreement with the HCSO for security patrol in the District, and authorize the President and Secretary to execute and attest same on behalf of the Board and the District. Director Lowery seconded the motion, which unanimously carried. The Board concurred to invoice HCMUD No. 62 for one-third of the security patrol costs.

The Board next considered a proposal for installation of cameras at subdivision entrances, including approval of purchase order, approval of services agreement and authorizing all actions required to obtain easements for the installation of the cameras and poles. The Board discussed

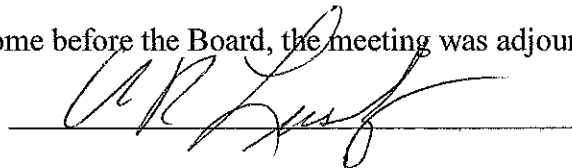
the open records issues related to photo records. After discussion, the Board concurred that it would not be interested in the installation of cameras at subdivision entrances unless and until there are changes in state laws relating to open records.

The Board next deferred consideration of a report regarding the status of development of the McCormick property within the District as no one had anything new to report.

The Board next considered the status of the contract with Johnson Fence, Ltd. Mr. Gard reviewed the attached landscape architect report received from KGA. He stated that CenterPoint Energy ("CP") is currently delayed on installing the transformer and therefore, irrigation will be delayed until the transformer is installed. Mr. Gard stated that the District can either wait until CP installs the transformer, install battery operated controls for \$2,368 or change the controllers from modular as called for in the design plans to two (2) solar powered controllers at no cost to the District. He stated that the District can purchase additional solar powered controllers in the event the District needs to expand in the future. The Board concurred that CP move forward with the installation of the transformers. After discussion, Director Lowery made a motion to approve the change in controllers from modular to two (2) solar powered controllers at no cost to the District and proceed with the landscaping planting. Director Evans seconded the motion, which unanimously carried.

The Board next considered matters for possible placement on future agendas. After discussion, the Board concurred to add items to the agenda for next month's meeting to: 1) consider an amendment to the Operator's Contract with MOC, and 2) approval to fix or replace the recorder for the District.

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
November 19, 2019

1. FEEC Report
2. Acclaim Energy handout
3. Bookkeeper's Report
4. Resolution Regarding Review of Investment Policy
5. Tax Assessor Collector's Report
6. Delinquent Tax Report
7. Engineer's Report with related correspondence
8. Operations Report
9. Landscape Architect Report