

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61**  
**Minutes of Meeting of Board of Directors**  
**February 23, 2021**

The Board of Directors of Harris County Municipal Utility District No. 61 met by videoconference on February 23, 2021, 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, thus constituting a quorum.

Also present via videoconference were Jim Ainsworth, Faith Despard and Andrew Johnson of A&S Engineers, Inc. (“A&S”); Lonnie Wright 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”); Anthea Moran of Masterson Advisors LLC (“Masterson”); Mark Eyring of Mark C. Eyring, CPA, PLLC (“Eyring”); Sergeant Conner, Sergeant Johnson and Deputy Waits of Harris County Sheriff’s Office (“HCSO”); 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. Director Lusby recognized Mr. Wright and MOC for the work completed on behalf of the District during Winter Storm Uri. The Board concurred with Director Lusby’s comments.

The Board next considered approval of the minutes of the Board of Directors meeting held on January 26, 2021. After discussion, Director Ball made a motion to approve the minutes of the meeting held on January 26, 2021, as presented. Director BeMent seconded the motion. A roll call vote was conducted and with all five directors present voting in the affirmative, the motion unanimously carried.

The Board next considered a report relative to security patrol services by the Harris County Sheriff’s Office (“HCSO”). Deputy Waits reviewed the attached patrol report for January from the HCSO and discussed recent activity in the District. She stated that the HCSO conducted two hundred (200) contract checks and made seventy-two (72) traffic stops during the past month. She also noted that a business within the District was hit three (3) times by thieves stealing tires and wheels. Deputy Waits stated that HCSO will be monitoring the situation.

Director Ball next requested a breakout of security activities within the District and Harris County Municipal Utility District No. 62 (“HCMUD 62”). Deputy Waits stated that it is not possible given the computer configuration of the security contract separate activities in the District

and HCMUD 62. Sergeant Johnson stated that HCSO is not able to separate two (2) districts that are in the same security contract.

Sergeant Conner then reviewed the POV Contract Patrol Report for January and discussed the night shift activities in the District.

Sergeant Conner, Sergeant Johnson and Deputy Waits disconnected from the videoconference at this time.

The Board next considered approval of the audit report for fiscal year ended October 31, 2020. Mr. Eyring presented and reviewed with the Board the draft audit report. After discussion, Director BeMent made a motion to approve the audit report for the fiscal year ended October 31, 2020, subject to review by the consultants, 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, including the Texas Commission on Environmental Quality. Director Lusby seconded the motion. A roll call vote was conducted and with all five directors present voting in the affirmative, the motion unanimously carried.

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”). The Board discussed that the WHCRWA could not supply water to its member districts and had boil water notice requests.

The Board next considered the financial and investment reports and invoices presented for payment. Ms. Kelsey reviewed the attached bookkeeping reports, investment inventory reports and bills for payment with the Board. After review and discussion, Director BeMent made a motion to approve the reports and authorize the disbursements identified therein. Director Lowery seconded the motion. A roll call vote was conducted and with all five directors present voting in the affirmative, the motion unanimously carried.

Ms. Moran next addressed the Board and distributed the attached Summary of Preliminary Refunding Numbers for a possible refunding of District debt. She advised that the total debt service savings are currently projected to be \$337,004, or 11.97% in present value savings. She noted that the earliest the refunding could close would be in June, 2021. The Board concurred to place all necessary items relative to same on the next agenda for the Board’s consideration.

The Board next considered the status of collection of taxes. The Board reviewed the attached tax assessor’s report and the delinquent tax roll for the month of January. It was noted that 93.40% of the District’s 2020 taxes had been collected through January 31, 2021. After review and discussion of the reports, Director BeMent made a motion to approve the reports and authorize the disbursements identified therein. Director Evans seconded the motion. A roll call vote was conducted and with all five directors present voting in the affirmative, the motion 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, 2021. The Board next reviewed the attached written report dated February 23, 2021, 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.

Mr. Marks 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. The Board concurred that it should increase the exemption for those taxpayers age 65 or older from \$75,000 for 2020, to \$80,000 for 2021. After discussion on the matter, Director BeMent made a motion to approve the attached Resolution Concerning Exemptions from Taxation. Director Lowery seconded the motion. A roll call vote was conducted and with Directors BeMent, Lowery, Ball and Evans present voting in the affirmative, and Director Lusby abstaining, the motion 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. Ainsworth reviewed the attached report.

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 he has nothing new to report.

The Board next considered approval of plans for the modifications of the Franz Road Sheet Flow Road Adjustments. Mr. Ainsworth stated that A&S prepared the first draft of exhibits for discussion as well as revised the drainage study. He stated that once the exhibits are finalized and ready for discussion, A&S will schedule a meeting with Directors BeMent and Ball to revise road profiles. Mr. Ainsworth stated that once all are in agreement as to the approach, A&S will work to schedule a meeting with Harris County.

The Board next considered the status of the construction contract with Aranda Industries, LLC ("Aranda") for Waterline Replacement, Phase II. Mr. Ainsworth stated that construction activity continues. He next reviewed an updated exhibit showing the approximate schedule. Mr. Ainsworth then presented Pay Application No. 3, in the amount of \$206,810.54, and recommended payment of same. After discussion, Director Ball made a motion to approve Pay Application No. 3, in the amount of \$206,810.54, as discussed above. Director Lowery seconded the motion. A roll call vote was conducted and with all five directors present voting in the affirmative, the motion unanimously carried.

The Board next considered the status of the construction contract with Environmental Allies ("EA") for the weir elevation modification. Mr. Ainsworth stated that the pipeline company completed their review. He stated that the plans have been approved and A&S awaits final letter from Kinder Morgan for clearing work to begin. He then reviewed a summary of inquiries regarding the matter.

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 he had nothing new to report.

The Board next considered the status of storm water quality permits. Mr. Ainsworth stated that the storm water quality permit for Mason/Franz Storm Trooper has been completed and A&S awaits the updated permit. He stated that the storm water quality permit renewal for Mason Seniors Detention Pond was submitted and A&S awaits final report. Mr. Ainsworth stated that the storm water quality permits for Mason Ranch Detention Pond and Westside Office Park Detention Pond are up to date.

Mr. Ainsworth reported on the status of the Mason & Franz development. He stated that a punch list item to complete the force main connection is outstanding pending resolution of the easements.

The Board next considered the review of bids and award of contract for mowing and maintenance of the District's park and drainage facilities. Mr. Ainsworth stated that A&S received four (4) bids for the project, with the apparent low bidder as Storm Maintenance and Monitoring, with a bid of \$69,740.50. He stated that A&S recommends award of the contract to any of the three (3) lowest bidders. Mr. Ainsworth stated that First Environment Erosion Controls ("FEEC") is the third low bidder with a bid of \$91,556.65. The Board then discussed in length the bids received for the project. Mr. Ainsworth then presented an executed TEC Form 1295 from FEEC. After discussion, Director BeMent made a motion to award the contract to the third low bidder, FEEC, in the amount of \$91,556.65, as the contractor that will be most advantageous to the District. Director Evans seconded the motion. A roll call vote was conducted, and with Directors BeMent, Lowery, Lusby and Evans voting in the affirmative, and Director Ball opposing, the motion carried.

Mr. Ainsworth reported on the status of Harris County Precinct 3 sidewalk project. He stated that A&S supplied a response to Harris County and awaits further correspondence.

Mr. Ainsworth reported on the detention pond fountain inspection and approval of purchase and installation of new lighting systems. He stated that the east fountain was pulled for maintenance. Mr. Ainsworth reviewed a proposal from Lake Management in the amount of \$21,770 for fountain and light replacement. The Board concurred to defer action on the matter and requested that A&S obtain additional proposals for replacement of all three (3) fountains.

The Board next considered the status of the elevated storage facility variance. Mr. Ainsworth reported that A&S is currently working on the elevated storage tank variance request to the Texas Commission on Environmental Quality ("TCEQ") and is coordinating with MOC on same.

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

The Board next considered the status of the surplus funds request, including the adoption of an Amended Resolution and filing a response to the TCEQ information request. Mr. Marks reminded the Board of the information request letter from the TCEQ. After discussion, Director Lusby made a motion to approve the adoption of an Amended Resolution, authorize the President and Secretary to execute same on behalf of the Board and the District, and authorize MRPC and A&S to coordinate regarding the filing of a response to the TCEQ letter. Director Ball seconded

the motion. A roll call vote was conducted, and with all five directors present voting in the affirmative, the motion unanimously carried.

The Board next considered a report on the District's water, sanitary sewer and storm sewer systems for the month of January. Mr. Wright reported that 95% of the water pumped during the month of January had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

The Board next discussed the recent order from the Public Utility Commission ("PUC") prohibiting certain water suppliers from terminating service and imposing late fees for a month as a result of Winter Storm Uri. It was noted that the PUC has made a clarification that such order does not apply to municipal utility districts. Mr. Wright reported that there are three (3) delinquent accounts on the sixty (60) to ninety (90) day delinquent list which predated and therefore were not affected by Winter Storm Uri. After discussion, the Board concurred to terminate water service to the sixty (60) to ninety (90) day delinquent accounts in accordance with the District's Rate Order, and authorize MOC to hang door tags regarding obligation to pay and to contact MOC to coordinate a payment plan for any accounts with high usage or delinquency on account of the storm.

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 43% of capacity for the month of January.

The Board next considered the renewal of the District's insurance coverage for term expiring March 31, 2020. Mr. Marks 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, 2021. After discussion, Director Ball made a motion to approve the renewal proposals from Gallagher for the coverages set out above, and to authorize the President to execute same on behalf of the Board and District. Director Lowery seconded the motion. A roll call vote was conducted, and with all five directors present voting in the affirmative, the motion unanimously carried.

The Board next considered matters for possible placement on future agendas. The Board then concurred to hold the next meeting via video conference on March 23, 2021. The Board requested that an item be added to the agenda for the March meeting to consider replacement of plants at Dunmore Park.

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

DocuSigned by:

*W R Lusby*

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Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS  
February 23, 2021

1. Patrol Report from HCSO/Off-Duty Report
2. Audit Report for FYE 10/31/2020
3. FEEC Report
4. Bookkeeper's Report
5. Preliminary Refunding Numbers
6. Tax Assessor Collector's Report
7. Delinquent Tax Report
8. Resolution Concerning Exemptions from Taxation
9. Engineer's Report with related correspondence
10. Operations Report