

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
April 23, 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 April 23, 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, thus constituting a quorum.

Also present were Jim Ainsworth and Jacob Valentien of A&S Engineers, Inc. ("A&S"); Keith Arrant 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"); Mark Elkins and Robert Anthony of Mason & Franz Partners, LP ("M&F"); Greg Nady, member of the public; 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. Mr. Nady addressed the Board regarding the Barker Cypress trail connection grant project. He reviewed the attached preliminary plans for the hike and bike trails near the proposed Houston Community College. Mr. Nady then reviewed the attached Distances & Cost estimate reflecting the distances of the trails and costs for same for the District, HCMUD No. 62 and Weston Municipal Utility District.

The Board next considered approval of the minutes of the Board of Directors meeting held on March 26, 2019. After discussion, Director Evans made a motion to approve the minutes of the meeting of March 26, 2019, as presented. Director Lowery seconded the motion, which 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. After review and discussion, Director Evans made a motion to approve the report, as presented. Director Ball seconded the motion, which unanimously carried.

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. She stated that \$5,000 was received from Heil for the preparation of the annexation feasibility study for annexation of the tract at Franz and Elrod. After review and

discussion, Director BeMent made a motion to approve payment on the General Operating Account of check nos. 7213 through 7238 inclusive, on the Capital Projects Fund of check no. 1263, on the Construction Park Bond Account of check nos. 1053 through 1056, inclusive, and on the Williamsburg Water Plant General Operating Account of check nos. 3827 through 3836, inclusive, as identified in the reports. Director Lowery seconded the motion, which carried unanimously.

The Board next considered the status of collection of taxes. Ms. Adams reviewed the attached tax assessor's reports and the delinquent tax roll for the month of March. She reported that 98.20% of the District's 2018 taxes had been collected through March 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. 2494 through 2501, 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 March 31, 2019. She next reviewed the attached written report dated April 23, 2019, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P ("Perdue"). The Board requested that MRPC research the discrepancy in the sales tax information from the City of Houston.

Mr. Marks next advised the Board that pursuant to Section 33.07 of the Property Tax Code, as amended, the Board is authorized to impose, under certain conditions, an additional penalty not to exceed twenty percent (20%) of the total real property taxes, penalty and interest due the District on July 1 on taxes that remain delinquent as of July 1 of the year in which they become delinquent. After discussion, Director BeMent made a motion to adopt the attached Resolution Authorizing Additional Penalty on Delinquent Real Property Taxes. Director Lowery seconded the motion, which carried unanimously.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority ("WHCRWA"). Director Evans reported that the WHCRWA will be performing a rate study soon.

The Board next deferred consideration of a discussion regarding the Barker Cypress trail connection grant project as same was previously discussed in the meeting.

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. Valentien 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. Valentien reported that A&S is waiting to finalize Phase I to capture any necessary modifications to Phase II.

The Board next deferred approval of the award of construction contract for expansion of water, sanitary sewer and drainage facilities to serve Skybox expansion as A&S is awaiting a response from Skybox.

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

The Board next considered the status of the contract with Link's Construction for water line extension to serve the Soufan tract development. Mr. Valentien reported that the project has been completed. He reminded the Board that a refund was previously authorized for the remainder of the deposit in the amount of \$83,178.78. He stated that the warranty repair of the asphalt access road was completed and that A&S tallied the associated billings and forwarded to the bookkeeper. Mr. Valentien stated that A&S recommends that the deposit be finalized and any remaining monies be returned to the developer. The Board concurred with the engineer's recommendation.

The Board next considered the status of the contract with SKE Construction LLC ("SKE") for Waterline and Water Meter Replacement, Phase 1. Mr. Valentien stated that SKE is working to achieve final completion and that A&S is reviewing a change order request received from SKE.

The Board next considered the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District. Mr. Elkins addressed the Board and stated that Mason & Franz Partners, LP ("M&F") is ready to break ground on the proposed retail and office development on a 3.0 acre tract of land. Mr. Valentien stated that the overall land plan for the tract has changed and that the existing water and sanitary sewer lines need to be relocated. He also stated that the existing easements on the tract will need to be abandoned and new easements will need to be acquired. Mr. Valentien stated that A&S recommends authorizing the preparation of the easements, subject to receipt by the bookkeeper of a \$10,000 deposit from M&F for the costs associated with the easements. After discussion, Director Lusby made a motion to authorize A&S and MRPC to move forward with the preparation of the necessary easements, subject to receipt of a \$10,000 deposit from M&F. Director Evans seconded the motion, which unanimously carried.

The Board next considered the status of storm water quality permits. Mr. Valentien 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 the issuance of utility commitments. Mr. Valentien stated that A&S reviewed a set of plans and application declaring water and sanitary sewer demands from M&F. He stated that A&S will provide M&F with a will-serve letter. Mr. Valentien stated that if M&F addresses all review comments and satisfies requirements, A&S recommends authorizing the execution of a Conditional No Objection letter contingent upon proper execution and recordation of all the necessary easements. After discussion, Director Evans made a motion to authorize A&S to process the Conditional No Objection letter upon receipt of plans from M&F that address all review comments, and contingent upon proper execution and recordation of all necessary easements. Director BeMent seconded the motion, which unanimously carried.

The Board next considered the status of the Flood Mitigation Evaluation. Mr. Valentien presented and reviewed the attached Detention Pond Capacity and Weir Elevation Adjustment. The Board then discussed lowering of the overflow weir approximately four inches (4") without conducting any pond volume modifications. The Board took no action on the matter at this time.

The Board next considered a discussion regarding the proposed regional lift station. Mr. Valentien stated that he had not received any information from the HCMUD No. 62 engineer or attorney and therefore had nothing new to report.

The Board next considered the status of annexation requests. Mr. Valentien 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.

Mr. Valentien next reported on the Franz and Elrod development. He stated that A&S will move forward with the preparation of a feasibility study for the 6.96 acre tract of land. After discussion, the Board concurred that A&S move forward with the preparation of a feasibility study for the tract.

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.

Mr. Valentien next reported that he will speaking at the Association of Water Board Directors summer conference regarding pipe bursting. He then requested approval to use the District as an example of a pipe bursting project. After discussion, the Board concurred for Mr. Valetien to use the District as an example of pipe bursting.

The Board next considered a report on the District's water, sanitary sewer and storm sewer systems for the month of March. Mr. Arrant reported that 99% of the water pumped during the month of March had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Mr. Arrant next requested that the Board authorize MOC to turn over four (4) delinquent accounts (over \$25.00) in the total amount of \$932.39 to Collections Unlimited ("CU"), as shown on the list attached to the Operator's Report. After discussion, Director Lowery moved to authorize MOC to turn over the four (4) subject accounts to CU, 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. Arrant stated that the facilities were operated in compliance with the permit and operated at 41% of capacity for the month of March.

The Board next considered authorizing preparation of a draft Consumer Confidence Report for review by the Board of Directors. After discussion, Director BeMent made a motion to authorize MOC to prepare the District's Consumer Confidence Report. Director Lusby seconded the motion, which carried unanimously.

The Board next considered the annual report on District's Identity Theft Prevention Program. Mr. Arrant reviewed the District's annual report and stated that there were no red flag incidents to report and that he had no recommended changes at this time.

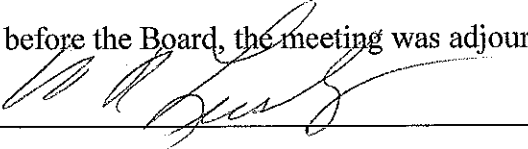
The Board next considered alternatives relating to contracting for security patrol in the District. Director Lowery stated that he met with residents Mr. Holt and Mr. Shipley, and the President of the Williamsburg Homeowners Association, Mr. Cox, to discuss the matter. He stated

that he and Director BeMent will be coordinating with the President of HCMUD No. 62 to prepare a proposal for security patrol.

The Board next considered a report regarding the status of the preparation of parks plans. Mr. Gard stated that KGA is still in the process of coordinating a response from CenterPoint for the work within the easement.

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.

A handwritten signature in black ink, appearing to be "D. W. ...", is written over a horizontal line.

Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS

April 23, 2019

1. Proposed Trail Extension map and Distances & Cost Estimate
2. FEEC report
3. Bookkeeper's Report
4. Tax Assessor Collector's Report
5. Delinquent Tax Report
6. Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
7. Engineer's Report with related correspondence
8. Detention Pond Capacity and Weir Elevation Adjustment
9. Operations Report
10. Landscape Architect Report