

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
April 27, 2021

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 27, 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 were Jim Ainsworth and Andrew Johnson of A&S Engineers, Inc. ("A&S"); Lonnie Wright 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"); Deputy Waits of Harris County Sheriff's Office ("HCSO"); Gary Hannon of Infotm, Inc.; and David Marks and Blake Ellis 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 March 23, 2021. After discussion, Director Ball made a motion to approve the minutes of the meeting held on March 23, 2021, as presented. Director Lowery seconded the motion, which 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 March from the HCSO and discussed recent activity in the District. She stated that the HCSO conducted three hundred twenty-two (322) contract checks and made thirty-three (33) traffic stops during the past month.

Director Lowery then reviewed the POV Contract Patrol Report for March and discussed the night shift activities in the District. He requested that the Board revisit the discussion to add an additional evening shift deputy as he believes it would be beneficial to the District. Director Ball discussed the taxes paid and the lack of police services. The Board then discussed adding an additional evening shift deputy to patrol the District. After discussion, Director Lowery made a motion to approve adding an additional evening shift deputy to patrol the District, and to authorize MRPC to send correspondence to HCSO advising of the Board's request. Director Lusby

seconded the motion, with Directors BeMent, Lowery, Lusby and Evans voting in favor and Director Ball abstaining.

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 deferred action on the proposal for the Dunmore Park flower bed repair.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority (“WHCRWA”). No one present had anything to report.

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, Direct Evans made a motion to approve the reports and authorize the disbursements identified therein. Director Lowery seconded the motion, which unanimously carried.

The Board next considered the status of the District’s \$2,845,000 Unlimited Tax Refunding Bonds, Series 2021 (the “Bonds”). Mr. Marks stated that the attached Summary of Final Refunding Numbers was received from Masterson for the Board’s review. He noted that the refunding issue attained a net present value savings of 9.98% of the refunded bonds, or \$281,182, and a gross debt service savings of \$353,264.

The Board next considered the approval of various documents required in connection with the closing on the Bonds, scheduled for Thursday, June 3, 2021. Mr. Marks reviewed the various documents required in connection with the closing. After discussion, Director Lowery made a motion to approve all documentation required in connection with the closing, to authorize the President to execute and the Secretary to attest to same, and to authorize MRPC to act on the Board’s behalf to do all things necessary to effect the closing on the Bonds and the disbursement of proceeds. Director Evans seconded the motion, which unanimously carried.

The Board next considered the approval and execution of Internal Revenue Service Form 8038-G relative to the Bonds. After discussion, Director Lowery made a motion that the Form be approved by the Board and that the President be authorized to execute same on behalf of the Board and District. Director Lusby seconded the motion, which unanimously carried.

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 March. It was noted that 98.88% of the District’s 2020 taxes had been collected through March 31, 2021. After review and discussion of the reports, Director Ball made a motion to approve the reports and authorize the disbursements identified therein. Director BeMent 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 March 31, 2021. The Board next reviewed the attached written report dated April 27, 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 advised the Board that pursuant to Section 33.07 of the 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 taxes, penalty and interest due to 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 Taxes. Director Lusby 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. 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 the facility was sold by Skybox to Element Critical in late 2020 and that the new company has slowed down the expansion process with activity continuing in late 2022 or 2023. He recommended that the item be removed from the agenda until future need arises.

The Board next considered approval of plans for the modifications of the Franz Road Sheet Flow Road Adjustments. Mr. Ainsworth stated that A&S is in the process of requesting topography from the surveyor and contracting Harris County about the scope of work and approval of work.

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 activities have resumed. He reviewed an updated exhibit showing the approximate schedule for the contractor. Mr. Ainsworth stated that a change order will be prepared for the Board’s approval to extend the time of completion through December 31, 2021. Director Ball stated that he will coordinate with the Williamsburg Settlement Maintenance Association regarding same.

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 and all requested documents have been submitted. He stated that A&S received the executed Encroachment Agreement today and will coordinate with Environmental Allies to get the project moving forward.

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 is up to date. He stated that the storm water quality permit renewal for Mason Seniors Detention Pond has been renewed. 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.

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 status of replacement of detention pond fountains and installation of new lighting systems. He stated that Lake Management ordered the new fountains and lighting with delivery expected late this week.

The Board next considered the status of the Franz at Elrod development. Mr. Ainsworth reported that A&S submitted a comment letter for the civil plans to the Developer's engineer. He stated that A&S will review with the Developer's engineer the limits of the waterline extension. The Board then discussed waiving the easement requirement for the tract. Mr. Ainsworth next reported that A&S continues work 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. Mr. Marks reported that A&S submitted all required and requested documentation to the TCEQ and MRPC submitted the Amended Resolution to the TCEQ following last month's meeting. He stated that the TCEQ is currently reviewing same. Mr. Hannon addressed the Board and discussed the tax value in place of the dirt on the subject tract. The Board requested that the auditor prepare an updated audit report for the Board's review.

The Board next considered a report on the District's water, sanitary sewer and storm sewer systems for the month of March. Mr. Wright reported that 96% 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.

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 46% of capacity for the month of March.

The Board next discussed requests from customers for an adjustment to their water bill. Mr. Wright stated that all requests have been handled. He recommended returning to the normal adjustment procedures pursuant to the District's Rate Order. After discussion, Director Evans made a motion to return to the normal adjustment procedures, as set out in the District's Rate Order. Director Ball seconded the motion, which unanimously carried.

Mr. Wright then reviewed the attached Thermographic Study Inspection Report for the District's facilities. He stated that he expects to receive a corrected report.

The Board next considered approval of the Consumer Confidence Report and the authorization of distribution to consumers. After discussion, Director Evans made a motion to

approve the District's Consumer Confidence Report, contingent upon review and approval by MRPC, and to authorize the distribution of same to consumers via a notice in water bills. Director BeMent seconded the motion, which unanimously carried.

The Board next discussed cybersecurity awareness training requirements. Mr. Marks stated that the Board should have received an email containing a cybersecurity awareness training video for Board members to complete prior to June 14, 2021. He stated that Board members should complete the training video and submit the certificate of completion to MRPC.

The Board next considered a report from the Park Committee on the development of Colonial Parkway park, including a discussion of a vision for the development and a budget for same. Directors Lusby and Ball stated that they met with Mr. Kelly Gard of KGA DeForest Design, LLC ("KGA") to discuss the development of the Colonial Parkway park. Directors Lusby and Ball reviewed the attached cost estimates for the base trail, fully landscaped trail and dog park south of Dunmore Park. The Board concurred to move forward with the plans for the Colonial Parkway detention basin base trail and parking and to hold off on the dog park in order to research the matter further.

The Board next considered matters for possible placement on future agendas. The Board concurred to hold the Board meeting in May in-person and via videoconference.

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

A handwritten signature in cursive script, appearing to read "Mark Lusby", written over a horizontal line.

Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
April 27, 2021

1. Patrol Report from HCSO/Off-Duty Report
2. FEEC Report
3. Bookkeeper's Report
4. Final Refunding Numbers
5. Tax Assessor Collector's Report
6. Delinquent Tax Report
7. Resolution Authorizing an Additional Penalty on Delinquent Real Property Taxes
8. Engineer's Report with related correspondence
9. Operations Report
10. KGA Landscape Architect Report