

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
May 25, 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 May 25, 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

Directors Lusby, Ball and Evans participated in person at the Office of the District, Director Lowery participated via teleconference and Director BeMent was absent.

The following people participated in person at the meeting: 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"); Sergeant Conner and 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 following people participated in the meeting via teleconference: Andrew Johnson and Anna Hunter of A&S Engineers, Inc. ("A&S"); and Mark Eyring of Mark C. Eyring, CPA, PLLC.

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 meeting held on April 27, 2021. After discussion, Director Ball made a motion to approve the minutes of the meeting held on April 27, 2021, as presented. Director Evans 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 April from the HCSO and discussed recent activity in the District. She stated that the HCSO conducted forty (40) to fifty (50) traffic stops and will be ticketing for bad parking in the neighborhood.

Sergeant Conner then reviewed the POV Contract Patrol Report for April and discussed the night shift activities in the District. He stated that the night shift deputies have increased patrol and that there has been a slight increase in traffic in the neighborhood.

Director Lowery reported that the Interlocal Agreement with HCSO for an additional deputy has been executed and will go before Harris County Commissioner's Court before the end of the month. He stated that the start date of the Agreement is June 19, 2021.

The Board next deferred the Amendment to Security Patrol Agreement between the District and Harris County Municipal Utility District No. 62.

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. He presented a proposal in the amount of \$11,650.50 to cut down and haul off excess material generated from the removal of the damaged Pine Tree and prune sixty-seven (67) mature trees located along Colonial Parkway detention pond. The Board deferred action on the matter at this time.

Mr. Martin next presented a proposal in the amount of \$21,049.00 for excavation and removal of all aquatic vegetation and sediment build up in the pilot channel of Colonial Parkway detention pond, Mason Senior detention pond and Big Box detention pond. After discussion, Director Evans made a motion to approve a proposal in the amount of \$21,049.00, as discussed above. Director Ball 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"). 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, Director Evans made a motion to approve the reports and authorize the disbursements identified therein. Director Lusby seconded the motion, which unanimously carried.

The Board next considered the review and approval of an application for participation in TexStar. Ms. Kelsey reviewed the application for participation in TexStar with the Board and recommended approval of same. After discussion, Director Evans made a motion to approve an application for participation in TexStar. Director Lusby 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 closing on the refunding bonds is scheduled for Thursday, June 3, 2021, at 10:00 a.m.

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 April. It was noted that 99.10% of the District's 2020 taxes had been collected through April 30, 2021. After review and discussion of the reports, Director Evans made a motion to approve the reports and authorize the disbursements identified therein. Director Ball 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 April 30, 2021. The Board next reviewed the attached written report dated May 25, 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.

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. Johnson reviewed the attached report.

The Board next considered approval of plans for the modifications of the Franz Road Sheet Flow Road Adjustments. Mr. Johnson stated that A&S met with Harris County about the scope of the project and any required permits. He stated that A&S is in the process of requesting additional topography from the surveyor.

The Board next considered the status of the construction contract with Aranda Industries, LLC ("Aranda") for Waterline Replacement, Phase II. Mr. Johnson stated that construction activities are ongoing. He stated that A&S is awaiting receipt of an updated construction schedule.

The Board next considered the status of the construction contract with Environmental Allies ("EA") for the weir elevation modification. Mr. Johnson stated that the pipeline company completed their review and all requested documents have been submitted. He stated that A&S received the recorded Encroachment Agreement from Kinder Morgan today clearing A&S to begin work. Mr. Johnson then presented Change Order No. 1, in the amount of \$0.00, for the elapsed time due to coordination with Kinder Morgan and recommended that the Board approve same. After discussion, Director Evans made a motion to approve Change Order No. 1, with the finding that such change order is necessary and beneficial to the District. Director Ball 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. Johnson reported that he had nothing new to report.

The Board next considered the status of storm water quality permits. Mr. Johnson 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. Johnson stated that the storm water quality permits for Mason Ranch Detention Pond and Westside Office Park Detention Pond are up to date.

Mr. Johnson 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. Johnson reported on the status of Harris County Precinct 3 sidewalk project. He stated that A&S received updated drawings from Harris County that depicted impacts in the District's waterline facilities which will require adjustments and relocations. Mr. Johnson reviewed an exhibit for same.

Mr. Johnson reported on the status of replacement of detention pond fountains and installation of new lighting systems. He stated that the fountains and lighting have been installed. Mr. Johnson stated that A&S forwarded the invoice from Lake Management in the amount of

\$33,372.69 to the bookkeeper with a recommendation for payment. The Board noted that one fountain is not working.

The Board next considered the status of the Franz at Elrod development. Mr. Johnson reported that A&S has resolved the issue of the added tract which was included in the prior annexation mapping as not being purchased by HEB. He 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 a request for annexation of 7.972 acres owned by HEB, LP into the District, including approval of an Annexation Agreement and a Petition for Consent to Include Land in the District. Mr. Marks reviewed the Annexation Agreement (the "Agreement") by and between the District and the landowner, and the attachments thereto. After discussion, Director Lusby moved to approve the Agreement, and to authorize the President to execute same on behalf of the Board and District. Director Evans seconded the motion, which unanimously carried.

Mr. Marks next presented for the Board's review and consideration a Petition for Consent to Include Additional Land in the District relative to the 7.972-acre annexation. After discussion, Director Lusby moved that the Petition for Consent to Include Additional Land in the District be approved by the Board and District and that the District's consultants be authorized to file same with the City of Houston. Director Evans seconded the motion, which unanimously carried.

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 the Texas Commission on Environmental Quality approved the surplus funds request on March 24, 2021.

The Board next considered the review and approval of a reimbursement audit prepared by Mark C. Eyring, CPA regarding the request for reimbursement to Infotm, Inc. related to the Soufan tract. Mr. Eyring presented and reviewed the draft reimbursement audit to the Board. He stated that he calculated that \$303,472.63, including \$22,671.42 of interest, is to be reimbursed to Infotm, Inc. in accordance with the Utility Development Agreement between the District and Infotm, Inc. dated December 19, 2017. He noted that a net effective interest rate of 3.549482% was used and interest was calculated through May 25, 2021. After discussion, Director Lusby made a motion to approve the reimbursement audit prepared by Eyring, as discussed above, and authorize the disbursement of funds to Infotm, Inc., as discussed above and subject to execution of a Receipt by Infotm, Inc. Director Evans seconded the motion, which unanimously carried. Mr. Hannon noted that there remains \$93,721.53 from engineering fees related to the project to be released. The Board concurred to place an item on the June agenda to authorize funding the remaining balance due.

The Board next considered a report on the District's water, sanitary sewer and storm sewer systems for the month of April. Mr. Wright reported that 89% of the water pumped during the month of April had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Mr. Wright next requested that the Board authorize MOC to turn over one (1) delinquent account (over \$25.00) in the total amount of \$287.52 to Collections Unlimited (“CU”), as shown on the list attached to the Operator’s Report. After discussion, Director Lusby moved to authorize MOC to turn over the one (1) subject account to CU, as set out above. Director Evans seconded the motion, which unanimously carried.

Mr. Wright next presented and reviewed the attached Consumer Confidence Report with the Board.

Mr. Wright next presented two (2) flyers from Patty Potty advising residents not to flush wipes down the toilet. He asked whether the Board would like to send the flyers to customers in upcoming water bills. After discussion, Director Lusby made a motion to authorize MOC to send the flyers to customers in upcoming water bills. Director Evans seconded the motion, which unanimously carried.

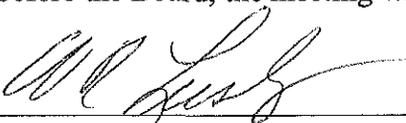
Mr. Wright next reported regarding issues that occurred during Winter Storm Uri. He stated that there was a lack of diesel fuel during the storm for the District’s generator. He next requested that the Board consider authorizing MOC to purchase and install a generator for the lift station at a cost of approximately \$12,000 to \$14,000. After discussion, Director Lusby made a motion to authorize MOC to purchase a generator in an amount not to exceed \$15,000 for the lift station. Director Lowery seconded the motion, which unanimously carried.

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 April.

The Board next considered a report from KGA DeForest Design, LLC (“KGA”) relative to development of Colonial Parkway park. Director Lusby reviewed the report from KGA with opinions of probable cost for the detention basin walk, detention basin walk fully landscaped with lighted trails and detention basin parking and landscape. He recommended that the Board proceed with the design of the parking lot and small park area by Colonial Parkway. After discussion, Director Evans made a motion to authorize KGA to proceed with the design plans and specifications for Phase 2A and 2B of Colonial Parkway park. Director Ball seconded the motion, which unanimously carried.

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

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
May 25, 2021

1. Patrol Report from HCSO/Off-Duty Report
2. FEEC Report
3. Bookkeeper's Report
4. Tax Assessor Collector's Report
5. Delinquent Tax Report
6. Engineer's Report with related correspondence
7. Reimbursement Audit prepared by Mark C. Eyring, CPA
8. Operations Report and related correspondence
9. KGA Landscape Architect Report