

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
June 22, 2021

The Board of Directors of Harris County Municipal Utility District No. 61 met at 1825 N. Mason Road, Katy, Harris County, Texas 77449 and via teleconference, on June 22, 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 Lowery, Lusby, Ball and Evans participated in person at the Office of the District, and Director BeMent participated via teleconference.

The following people participated in person at the meeting: Lonnie Wright and Claudia Garza of Municipal Operations & Consulting, Inc. ("MO&C"); Richard Martin of First Environment Erosion Controls ("FEEC"); 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: Jim Ainsworth and Anna Hunter of A&S Engineers, Inc. ("A&S"); Tina Kelsey of Myrtle Cruz, Inc. ("MC"); and Caryn Adams of Wheeler & Associates, Inc. ("W&A").

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 May 25, 2021. After discussion, Director Evans made a motion to approve the minutes of the meeting held on May 25, 2021, as presented. Director Ball seconded the motion, which unanimously carried.

The Board next considered a report relative to security patrol services provided by the Harris County Sheriff's Office ("HCSO"). Director Lowery reviewed the attached patrol report for May from the HCSO and discussed recent activity in the District.

Director Lowery then reviewed the POV Contract Patrol Report for May and discussed the night shift activities in the District. The Board next considered approval of an Amendment to the Security Patrol Agreement between the District and Harris County Municipal Utility District No. 62 ("No. 62") for the additional deputy. After discussion, Director Lowery made a motion to approve an Amendment to the Security Patrol Agreement between the District and No. 62 and any POV addendum in connection therewith. Director Evans seconded the motion, which unanimously carried.

Director Lowery next reported that the new signs for the Dunmore Park were installed. The Board then discussed vacation watch issues that have occurred recently.

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 \$1,800.00 to cut down and haul off excess material generated from the removal of the damaged Pine Tree located along Colonial Parkway detention pond. Director Ball confirmed that the subject Pine Tree is on the list of trees to be removed by Harris County but has not yet been removed. Mr. Martin recommended to proceed with removal of the pine tree for safety reasons. He then presented an executed TEC Form 1295 relative to the tree removal project. After discussion, Director Evans made a motion to approve a proposal in the amount of \$1,800.00 for the removal of excess material from the removal of the damaged Pine Tree. 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 BeMent seconded the motion, which unanimously carried.

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 May. She noted that 99.34% of the District's 2020 taxes had been collected through May 31, 2021. She also noted that escheat funds were filed with the State Comptroller. After review and discussion of the reports, Director Lowery made a motion to approve the reports and authorize the disbursements identified therein. Director Evans 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 May 31, 2021. The Board next reviewed the attached written report dated June 22, 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.

Ms. Adams next reported that the preliminary taxable value for 2021 is \$452,977,470 which is an increase of 8.26% from the 2020 value.

Deputy Risk and Deputy Romero next entered the meeting at this time. Deputy Risk introduced himself to the Board and stated that he is the new evening shift patrol deputy for the District's contract. Deputy Risk and Deputy Romero exited the meeting at this time.

The Board next considered authorizing Perdue to proceed with the collection of 2020 delinquent taxes, including the filing of lawsuits. After discussion, Director Evans made a motion to authorize Perdue to proceed with the collection of the District's 2020 and prior years' delinquent tax accounts on July 1, 2021, including filing of lawsuits as necessary. 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 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 for the modifications of the Franz Road Sheet Flow Road Adjustments. Mr. Ainsworth stated that A&S met with Harris County about the scope of the project and any required permits. He stated that A&S has signed a proposal for additional topographic information which was requested in the conversations with Harris County Precinct Three.

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 are ongoing. He then presented Pay Application No. 4, in the amount of \$299,717.34, and Change Order No. 1, in the amount of 13,653.00, and recommended that the Board approve payment of same. Mr. Ainsworth presented an executed TEC Form 1295 from Aranda relative to the change order. After discussion, Director Lusby made a motion to approve Pay Application No. 4, and Change Order No. 1, with the finding that such change order is necessary and beneficial for the District. Director Evans seconded the motion, which 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 Notice to Proceed was issued May 17, 2021. He also stated that Kinder Morgan provided a revised pipeline crossing/cap which A&S will include in a revised issued for construction plan set.

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 A&S recommends acceptance of a Storm Sewer Easement (0.0052 acres) from BHC Partners LLC. He stated that A&S is handling execution of the easement. After discussion, Director Lusby made a motion to accept the Storm Sewer Easement (0.0052 acres) from BHC Partners LLC and authorize the President to execute same on behalf of the Board and the District. Director Ball seconded the motion, which unanimously carried.

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 and Mason Seniors Detention Pond are up to date. Mr. Ainsworth also 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 the four-inch (4") force main to the existing lift station remains an outstanding punch list item. Mr. Ainsworth reported that A&S is handling execution of three (3) easements relative to the David Holle tract of land.

Mr. Ainsworth reported on the status of Harris County Precinct 3 sidewalk project. He stated that Harris County has started construction and provided contractor contact information for coordination of relocating utilities. Mr. Ainsworth requested that the Board authorize MOC to

relocate the necessary fire hydrants. After discussion, Director Lusby made a motion to authorize MOC to relocate the necessary fire hydrants. Director Evans seconded the motion, which unanimously carried.

The Board next discussed the Risk and Resilience Assessment and Emergency Response Plan. Mr. Ainsworth reported that the District's population is less than 3,300 so the Risk and Resilience Assessment and Emergency Response Plan is not necessary for another five (5) years.

The Board next considered the status of the proposed annexation of HEB, LP (7.972 acres). Mr. Marks reported that MRPC awaits executed annexation documents from HEB, LP. 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 the issuance of utility commitments. Mr. Ainsworth reported that A&S received an application for service for a commercial development located at 21826 Franz Road that has an existing C-Store with fuel station and a future 1,500 square foot retail space. He then presented a feasibility study prepared by A&S and reviewed same with the Board. Mr. Ainsworth discussed the water line extensions and sanitary sewer extensions to serve the property. The Board concurred that the sanitary sewer line should be a gravity line. Mr. Ainsworth stated that A&S will provide a will-serve letter for three (3) equivalent single-family connections for the development and will revise the feasibility study regarding line extensions.

The Board next considered the review and approval of a supplemental 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 supplemental reimbursement audit to the Board. He stated that he calculated that an additional \$93,721.53, including \$10,628.91 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 supplemental 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.

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

Mr. Wright reported that MOC has a small generator earmarked for the lift station.

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 42% of capacity for the month of May.

The Board next considered a discussion regarding the District's parks. Director Lusby gave an update on the status of design plans and specifications for the development of Colonial Parkway park.

Mr. Marks next discussed a Voting System Annual Filing Form ("Form") from the Secretary of State's Office. He advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file the Form with the Secretary of State's Office. After discussion, Director Evans made a motion to approve the Form and authorize MRPC to prepare and file same with the Secretary of State's Office, as required by law. Director Lusby seconded the motion, which unanimously carried.

The Board next considered the approval of destruction of notes of Board of Directors meetings from February 2020 to February 2021, in accordance with the Records Retention Schedule for General Records. Mr. Marks presented the attached correspondence from the Records Management Officer with attached list of records, and advised that the time limitations for retention had passed for all records listed, that, to the best of his knowledge and belief, none of the records' subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. After discussion, Director Lowery made a motion to authorize the destruction of the notes as requested in accordance with the provisions of the District's Records Management Program and the Schedule. Director Lusby seconded the motion, which unanimously carried.

EXECUTIVE SESSION

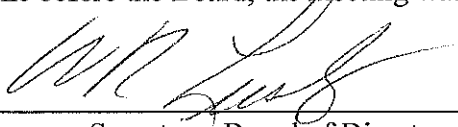
The Board next recessed into Executive Session at 7:45 p.m. to deliberate the deployment, or specific occasions for implementation of security personnel or devices, or a security audit pursuant to §551.076, Texas Government Code. The Board returned from executive session at 8:07 p.m.

RECONVENE IN OPEN SESSION

The Board next reconvened in open session to deliberate the deployment, or specific occasions for implementation of security personnel or devices, or a security audit pursuant to §551.076, Texas Government Code. The Board took no action on the matter.

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.



Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
June 22, 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. Records Destruction Request Letter