

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
June 25, 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 June 25, 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, except Director BeMent, thus constituting a quorum.

Also present were Jim Ainsworth and Jacob Valentien 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"); Kelly Gard of KGA DeForest Design, LLC ("KGA"); and David Marks of Marks Richardson PC ("MRPC").

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 wished to address the Board.

The Board next considered approval of the minutes of the Board of Directors meeting held on May 28, 2019. After discussion, Director Ball made a motion to approve the minutes of the meeting of May 28, 2019, as amended. Director Evans 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 deferred consideration of a discussion regarding the Barker Cypress trail connection grant project as there was nothing new to report. The Board requested that the item be removed from the agenda.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority ("WHCRWA"). Director Evans reported that he had nothing new to report.

The Board next considered the Board's prior action relating to installation of WHCRWA meter at the District's Water Plant and the request to allow its employees to enter the District's

Water Plant to read the meter. The Board discussed MOC providing online access to the daily meter readings to the WHCRWA. After discussion, Director Ball made a motion to authorize MOC to provide online access to the daily meters readings to the WHCRWA.

The Board then discussed WHCRWA's request for a Right of Entry to access the District's Water Plant. After discussion, Director Ball made a motion to deny the request from the WHCRWA for a Right of Entry to access the District's facilities unaccompanied. Director Lowery 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. After review and discussion, Director Evans made a motion to approve payment on the General Operating Account of check nos. 7267 through 7292 inclusive, on the Capital Projects Fund of check no. 1266, on the Construction Park Bond Account of check nos. 1061 through 1063, inclusive, and on the Williamsburg Water Plant General Operating Account of check nos. 3847 through 3856, inclusive, as identified in the reports. Director Lusby 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 May. She reported that 98.07% of the District's 2018 taxes had been collected through May 31, 2019. After review and discussion of the reports, Director Evans made a motion to approve the reports and authorize payment on the Tax Account, of check nos. 2506 through 2512, inclusive, as identified in the report. Director Ball 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 May 31, 2019. She next reviewed the attached written report dated June 25, 2019, which had been prepared by the District's delinquent tax attorney, Perdue.

The Board next considered authorizing Perdue to proceed with the collection of 2018 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 2018 and prior years' delinquent tax accounts on July 1, 2019, including filing of lawsuits as necessary. Director Lowery seconded the motion, which carried unanimously.

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. He stated that A&S will submit plans to Harris County soon for review.

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. Valentien stated that

Stage 1A improvements are complete and up and running. He stated that A&S has a meeting scheduled with Skybox to discuss the next phases.

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 SKE Construction LLC ("SKE") for Waterline and Water Meter Replacement, Phase 1. Director Lowery recused himself from the discussion. Mr. Valentien stated that SKE is working to achieve final completion and that A&S continues to work with SKE regarding a change order request. He noted that SKE has agreed to take care of the two (2) driveways and one (1) sidewalk but has not yet completed same due to the weather. The Board concurred that A&S continue to work with SKE and request completion of punchlist items in order to complete and close out the project, and that the District should defer hiring a construction litigation attorney at this time.

The Board next considered the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District. Mr. Valentien reported that the surveyor has commenced work on the easements from Mason & Franz Partners, LP ("M&F").

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 status of the Flood Mitigation Evaluation. Mr. Valentien stated that the Harris County Flood Control District acknowledged that the District can lower the weir from 125.7 to 125.3 and that the District can lower the weir additionally by conducting an unsteady state model proving no adverse impact and then increasing volume in the pond. He then presented and reviewed the attached Preliminary Cost Estimate for the weir elevation modification at a cost of \$30,400, wet bottom conversion at a cost of \$751,450 and maintenance berm conversion at a cost of \$144,100, for a total of \$1,220,950. Mr. Valentien stated that if the District submits a model to Harris County, which preparation will cost \$25,000, and Harris County approves same, the District could move forward with the preparation of plans and specifications for the wet bottom conversion for \$751,450 or maintenance berm conversion for \$144,100, plus contingencies and engineering on both. 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 reminded the Board that A&S received a response to the project inquiry it submitted two (2) years ago from the HCMUD No. 62 engineer last month.

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 at Elrod development. He stated that A&S is working on the feasibility study for the utilities north of Franz Road and once complete, will update the feasibility study for the 6.96 acre tract of land.

The Board next deferred consideration of the issuance of utility commitments.

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 98% 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 the operator for Harris County Municipal Utility District No. 63 erroneously opened the emergency water supply interconnect with the District and used approximately 400,000 gallons of water. He stated that the 400,000 gallons of water has been returned to the District.

Mr. Wright next reviewed the repairs made to lift pump no. 2, the hydropneumatic grinder pump and the lift station.

Mr. Wright next requested that the Board authorize MOC to turn over one (1) delinquent account (over \$25.00) in the total amount of \$152.30 to Collections Unlimited ("CU"), as shown on the list attached to the Operator's Report. After discussion, Director Ball moved to authorize MOC to turn over the one (1) subject account to CU, as set out above. Director Lusby seconded the motion, which passed unanimously.

Mr. Wright next reviewed the attached well performance testing from GM Services for water well nos. 1 and 2.

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 May.

The Board next considered alternatives relating to contracting for security patrol in the District. Director Lowery presented the attached handout regarding the combined tax base and reallocation of funds per tax base per district for the District and Harris County Municipal Utility District No. 62 ("HCMUD 62"). He stated that the analysis is for a \$200,000 contract and includes two (2) full time deputies, five (5) days a week and Saturday night. Director Lowery stated that the District's share will be 66% and HCMUD 62's share will be 34%. He stated that he and Director BeMent will need to have a meeting with the HCMUD 62 Board and the Williamsburg Homeowners Association to discuss the matter, and if everyone is in agreement, the District will proceed with a town hall meeting. Director Ball advised the Board that he is opposed to the District taking on security patrol in the District.

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.

The Board next considered a report regarding the status of the preparation of parks plans. Mr. Gard reviewed the attached landscape architect report and stated that KGA has resubmitted plans to Harris County for permitting and that plans were submitted for accessibility review and inspection. He reported that KGA solicited bids for the project and recommends awarding the contract to the low bidder, Johnson Fence, Ltd., with a bid of \$321,115.30. After discussion, Director Ball made a motion to award the contract to Johnson Fence, Ltd. in the amount of

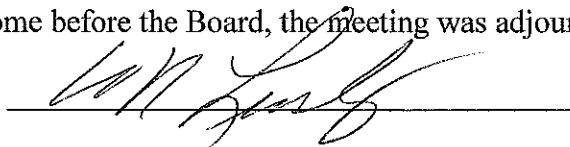
\$321,115.30. Director Lusby seconded the motion, which unanimously carried. Mr. Gard then discussed the timeline for the project.

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 Ball seconded the motion, which carried unanimously.

The Board next considered the approval of destruction of notes of Board of Directors meetings from February 2018 to February 2019, 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 Ball 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 Lowery seconded the motion, which carried unanimously.

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 cursive script, appearing to read "W. M. Lusby", is written over a horizontal line.

Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS

June 25, 2019

1. FEEC report
2. Bookkeeper's Report
3. Tax Assessor Collector's Report
4. Delinquent Tax Report
5. Engineer's Report with related correspondence
6. Operations Report
7. Cost Analysis for Security
8. Landscape Architect Report
9. Records Request Letter