

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
August 24, 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 August 24, 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 Andrew Johnson and Anna Hunter 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"); Miranda Burks of Wheeler & Associates, Inc. ("W&A"); Richard Martin of First Environment Erosion Controls ("FEEC"); Christine Crotwell of Masterson Advisors, LLC ("Masterson"); Kelly Gard of KGA DeForest Design, LLC ("KGA"); Sergeant Johnson and Deputy Waits of Harris County Sheriff's Office ("HCSO"); 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 July 27, 2021. After discussion, Director Ball made a motion to approve the minutes of the meeting held on July 27, 2021, as presented. Director Lowery 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"). Sergeant Johnson reviewed the attached patrol report for July from the HCSO and discussed recent activity in the District. He stated that the HCSO was unable to cover twelve (12) days on the evening shift due to illness and personnel issues. Sergeant Johnson stated that he discussed the matter with Director Lowery on making up the missed days. He also stated that HCSO recently discovered that the night shift deputy got sick and did not cover his shifts and a replacement was not given from late July until recently. Sergeant Johnson stated that HCSO will make up all missed days and advised the Board that the night shift deputy will be terminated immediately, and a replacement found. He stated that he will coordinate with Director Lowery and the Captain next week to finalize the schedule. Sergeant Johnson stated that days not currently in the contract will be added in to make up the missed days. Deputy Waits then reported on recent activity in the District including traffic stops and issuing tickets and warnings. Director Lowery then reviewed the POV Contract Patrol Report for July and discussed the night shift

activities in the District. He praised Deputy Demeris on the evening shift for a job well done as well as HCSO for its hard work to resolve the issues.

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 stated that a small tree limb was removed as part of the monthly maintenance.

The Board next considered review and approval of letter of support for Barker Cypress trail connection grant project. Mr. Ellis reviewed the attached letter of support to the Texas Department of Transportation (“TxDOT”) for the Barker Cypress trail connection grant project. After discussion, Director BeMent made a motion to approve the letter of support to TxDOT, and authorize MRPC to mail same to TxDOT. Director Evans 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”). Director Evans reported that he attended the most recent virtual WHCRWA meeting.

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 approval of an amended Order Establishing Policy for Investment of District funds and Appointing an Investment Officer. Mr. Ellis reviewed the proposed changes to the Order and explained that such changes are required as a result of the transfer of District accounts to Central Bank. After discussion, Director Evans made a motion to adopt the attached revised Order, and to authorize the President to sign and the Secretary to attest the Order on behalf of the Board and District. Director Lowery seconded the motion, which carried unanimously.

The Board next considered the status of collection of taxes. Ms. Burks reviewed the attached tax assessor’s report and the delinquent tax roll for the month of July. She noted that 99.60% of the District’s 2020 taxes had been collected through July 31, 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 July 31, 2021. The Board next reviewed the attached written report dated August 24, 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 approval of a letter directing the Tax Assessor and Collector to perform additional web posting duties as required under HB 1154. Ms. Burks presented the attached Second Amendment and stated that W&A can perform the reporting required by HB 1154 and SB 2 for a one-time administration set up cost of \$1,800 and an annual fee of \$1,200 payable

each January. Mr. Ellis then reported that the District currently has a contract with Off Cinco for web postings and presented an Amendment to the contract with Off Cinco to handle reporting required by HB 1154 and SB2 at a cost of \$100 per hour. After discussion, Director Evans made a motion to approve an Amendment to the contract with Off Cinco to handle the implementation of HB 1154 as well as reporting required by SB 2 for \$100 per hour, and to authorize the President to execute same on behalf of the Board and District. Director Lowery seconded the motion, which unanimously carried.

The Board next received the Financial Advisor's recommendation concerning the establishment of the District's 2021 tax rate and the consideration of a proposal of the District's 2021 tax rate. Ms. Crotwell reviewed the attached 2021 Debt Service Tax Rate Recommendation which included the financial advisor's recommendation that the District levy a 2021 total combined tax rate of \$0.43, consisting of \$0.28 debt service and \$0.15 maintenance tax. Director Ball suggested using funds from the general operating fund for short-term projects. Ms. Crotwell stated that without any proposed bond issues, Masterson would not recommend increasing the debt service tax rate. Mr. Johnson stated that Skybox may need to seek service from the District which will require bonds for capital improvements projects. The Board discussed increasing the tax rate recommended by Masterson. After discussion, Director Evans made a motion authorizing the District's Tax Assessor/Collector to publish notice of a public hearing on the adoption of a combined proposed 2021 tax rate of \$0.46 per \$100 of assessed valuation to be held at the District's next regular meeting. Director Lowery seconded said 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. 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 received additional topographic survey information of the entrances as well as south Franz Road right-of-way line and are currently evaluating same.

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 including site clean-up. He stated that the contractor has installed seven (7) irrigation meters, and will install the remaining two (2) meters when segments are pipe burst.

The Board next considered the status of the construction contract with Environmental Allies ("EA") for the weir elevation modification. Mr. Johnson stated that the contractor has installed riprap at the detention pond side of the weir. Mr. Johnson then presented Pay Application No. 2, in the amount of \$49,667.63, and recommended that the Board approve payment of same. After discussion, Director Ball made a motion to approve Pay Application No. 2, as discussed above. Director Evans 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 stated 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 permits for Mason/Franz Storm Trooper and Mason Seniors Detention Pond are up to date. Mr. Johnson also 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 the four-inch (4") force main to the existing lift station remains an outstanding punch list item. Mr. Johnson reported that A&S is handling execution of three (3) easements relative to the David Holle tract of land.

Mr. Johnson reported on the status of Harris County Precinct 3 sidewalk project. He stated that MOC relocated six (6) fire hydrants with one (1) remaining to be adjusted. He also stated that MOC awaits Harris County to relocate a traffic control box in order to relocate the remaining fire hydrant.

The Board next considered the status of Skybox development. Mr. Johnson stated that based on most recent discussions with Skybox, work is proceeding on completion of additional computing facilities inside the building. He also stated that they are working some expansion options for the current facilities.

The Board next considered the status of HEB development. Mr. Johnson stated that A&S provided an appraisal to assist in possible discussions related to purchase of HCMUD 71 water line. He stated that A&S met with HEB developers to discuss plans to provide water service. Mr. Johnson stated that A&S has prepared and is issuing a letter to BGE requesting consideration for purchase of the HCMUD 71 water line.

The Board next considered the status of C-Store/Retail development. Mr. Johnson reported that A&S received an application for service for a commercial development located at 21826 Franz Road that will include a C-Store with fuel station and a future 1,500 square foot retail space. He stated that A&S updated the feasibility study to include a grinder pump and force main extension to provide sanitary sewer service. He also noted that additional booster pump capacity has been confirmed. After discussion, Director Ball made a motion to approve the revised feasibility study, as presented. Director Evans seconded the motion, which unanimously carried.

The Board next considered the status of the proposed annexation of HEB, LP (7.972 acres). Mr. Ellis reported that the annexation package was submitted to the City of Houston on July 29, 2021. Mr. Johnson reported that A&S submitted revised geodatabase files and vicinity map to the City of Houston. He also reported that A&S continues work on the elevated storage tank variance request to the Texas Commission on Environmental Quality ("TCEQ") and anticipates submitting same this week.

The Board next considered the issuance of utility commitments. Mr. Johnson stated that A&S received a utility letter request for proposed commercial/retail development on a 2.20 acre tract along Mason Road just north of the C-Store site. He stated that A&S is requesting approval to begin a feasibility study for services to the tract. After discussion, Director Evans made a motion to authorize A&S to begin preparation of a feasibility study for the proposed development. Director Lowery 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 July. Mr. Wright reported that 93% of the water pumped during the month of July had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

Mr. Wright reported that MOC will install the small gas generator for the lift station tomorrow.

Mr. Wright next requested that the Board authorize MOC to turn over one (1) delinquent account (over \$25.00) in the total amount of \$209.88 to Collections Unlimited ("CU"). After discussion, Director Evans moved to authorize MOC to turn over the one (1) subject account to CU, as set out above. Director Lusby 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 50% of capacity for the month of July.

The Board next considered a discussion regarding the District's parks. Mr. Gard presented the attached landscape architect report and presented a rendered plan of the detention basin and parking lot. He next presented a proposal from Pape-Dawson Engineers in the amount of \$5,300 for additional parking lot survey. He stated that the proposal for surveying services is due to an outdated survey and will be expensed as part of the District's contract with KGA. After discussion, Director Evans made a motion to approve the proposal from Pape-Dawson Engineers for surveying services, as set out above. Director Ball seconded the motion, which unanimously carried.

Mr. Gard next discussed ideas for naming of the park. He suggested name ideas, such as Colonial Trails, Mason Green, Carter's Landing, and Christopher Wren Park and asked for the Board's input. Mr. Gard stated that KGA is submitting the parking lot and park together for permitting purposes per the parks committee. Director Lusby suggested the Board authorize the purchase of soccer goals for Dunmore Park. The Board deferred action on the matter.

Director Lowery next presented an anti-theft sign to be displayed at the District's parks. The Board deferred action on the matter.

The Board next concurred to take no action regarding casting a vote for the Board of Directors of the Harris County Appraisal District as the deadline for submission of the vote has passed.

The Board next considered matters for possible placement on future agendas. The Board discussed the Security Patrol Agreement with Harris County Municipal Utility District No. 62 and the Board's options for cost efficiency. Directors BeMent and Ball agreed to coordinate regarding same prior to next month's meeting.

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
August 24, 2021

1. Patrol Report from HCSO/Off-Duty Report
2. FEEC Report
3. Correspondence to TxDOT
4. Bookkeeper's Report
5. Amended Investment Policy
6. Tax Assessor Collector's Report
7. Delinquent Tax Report
8. Off Cinco Amendment
9. Tax Rate Recommendation
10. Engineer's Report with related correspondence
11. Operations Report and related correspondence
12. Landscape Architect Report