

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
August 25, 2020

The Board of Directors of Harris County Municipal Utility District No. 61 met by videoconference on August 25, 2020, 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 via videoconference were Jim Ainsworth, Faith Despard, and Andrew Johnson of A&S Engineers, Inc. (“A&S”); Lonnie Wright of Municipal Operations & Consulting, Inc. (“MO&C”); Vanessa Hernandez of Myrtle Cruz, Inc. (“MC”); Richard Martin of First Environment Erosion Controls (“FEEC”); Kelly Gard of KGA DeForest Design, LLC (“KGA”); Sergeant Conner of Harris County Sheriff’s Office (“HCSO”); and David Marks and Ben Morse 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 28, 2020. After discussion, Director Ball made a motion to approve the minutes of the meeting held on July 28, 2020, as presented. Director Lowery 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 a report relative to security patrol services by the Harris County Sheriff’s Office (“HCSO”). Director Lowery stated that Deputy Hardwick is on vacation and unable to attend today’s meeting. He then reviewed the attached patrol report for July from the HCSO and discussed recent activity in the District.

Sergeant Conner then reviewed the POV Contract Patrol Report for July and discussed the night shift activities in the District. He stated that there continues to be a lot of traffic during the night shift and a large number of homeless people walking through the neighborhood.

Mr. Marks discussed correspondence received from Harris County recommending a 2.5% increase to the patrol contract rates to account for higher benefits costs and salary increases with the increase becoming effective March 1, 2021.

Director Ball noted that the cost sharing with Harris County Municipal Utility District No. 62 (“HCMUD 62”) does not appear to be current. After discussion, the Board requested that Ms. Hernandez update the cost sharing for the Board’s review at the September meeting, and that Mr. Marks discuss with the HCMUD 62 attorney revising the cost sharing agreement to include the POV charges.

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 next considered the status of surface water issues and the West Harris County Regional Water Authority (“WHCRWA”). Director Evans reported that there was nothing significant to report regarding the WHCRWA.

The Board next considered the financial and investment reports and invoices presented for payment. The Board reviewed the attached bookkeeping reports, investment inventory reports and bills for payment received from Myrtle Cruz, Inc. After review and discussion, Director Evans made a motion to approve the reports and authorize the disbursements identified therein. Director Ball 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 an amendment to the operating budget for the fiscal year ending October 31, 2020. The Board concurred to leave the budget as previously adopted and noted that it would consider any appropriate revisions to security expenses or other items in connection with the adoption of the budget for the fiscal year ending October 31, 2021.

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 July. It was noted that 99.68% of the District’s 2019 taxes had been collected through July 31, 2020. After review and discussion of the reports, Director BeMent made a motion to approve the reports and authorize the disbursements identified therein. Director Evans seconded the motion. A roll call vote was conducted and with all five directors present voting in the affirmative, the motion 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, 2020. The Board next reviewed the attached written report dated August 25, 2020, 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 deferred the Financial Advisor’s recommendation concerning the establishment of the District’s 2020 tax rate until next month’s meeting.

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 101% 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 on HCMUD 62's new water well. He stated that MOC is working on issues relating to running all the wells together versus working as separate systems.

Mr. Wright next requested that the Board authorize MOC to turn over one (1) delinquent account (over \$25.00) in the total amount of \$104.61 to Collections Unlimited ("CU"), as shown on the list attached to the Operator's Report. After discussion, Director Evans moved to authorize MOC to turn over the one (1) subject account to CU, as set out above. Director BeMent 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 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 July.

Mr. Wright reported that Mason & Franz Partners, LP paid its tap fee in the amount of \$52,677.

The Board next discussed a proposed park around the detention pond. Director Ball stated that he is interested in considering improvements to Colonial Park in the estimated amount of \$200,000. He stated that there is \$225,000 remaining in unused bond funds. Director Ball reminded the Board that KGA estimated in 2019 that improvements to Colonial Park would be approximately \$305,000. He recommended that the Board consider using surplus Park Bonds construction funds to proceed with improvements to Colonial Park. Director BeMent recommended that the District pay off a portion of the District's debt prior to making any improvements to Colonial Park.

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 Skybox has experienced delays to COVID-19 and expect further updates in the fourth quarter of 2020 or early 2021.

The Board next considered review of bids and approval of award of contract for the weir elevation modification. Mr. Ainsworth stated that A&S received approval from the Harris County Flood Control District ("HCFCD") and Harris County Engineering Department. He also stated that the Army Corps of Engineers Nationwide Permit No. 7 was submitted for the project and A&S awaits comments to same.

The Board next considered the status of the construction contract with Aranda Industries, LLC ("Aranda") for Waterline Replacement, Phase II. Mr. Ainsworth stated the Agreement with the Williamsburg Settlement Maintenance Association ("WSMA") for the temporary construction easement has been finalized. He stated that Aranda had material delivered, set up temporary fencing in the staging area and started locating utilities. Mr. Ainsworth stated that Aranda provided an overall project notification this past month and will provide a more detailed notification to

residents seventy-two (72) hours prior to starting on particular line segments that may impact residents.

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 permits for Mason/Franz Storm Trooper, Mason Seniors Detention Pond and Westside Office Park Detention Pond are all up to date. He stated that the renewal for the storm water quality permit for Mason Ranch Detention Pond is currently underway.

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.

The Board next considered the status of the elevated storage facility variance. Mr. Ainsworth reported that A&S is currently working 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 approval of an Application to the TCEQ for Approval for Use of Surplus Construction Funds. Mr. Ainsworth reviewed the attached Bond Surplus Funds Calculation. The Board discussed using surplus funds for the INFOTM reimbursement, Franz Road Sheet Flow Road Adjustments, Williamsburg Water Plant Improvements, Franz Road Lift Station Improvements and Elevated Storage Tank Variance. The Board concurred that it should, if permitted, apply surplus funds to finance such projects. Mr. Marks noted that surplus funds could be used for the Williamsburg Water Plant Improvements, Weir Elevation Modification, Franz Road Lift Station Improvements and Elevated Storage Tank Variance without TCEQ approval and that the Franz Road Sheet Flow Road Adjustments would likely require a different source of funding. He then advised that appropriate action items for those projects would be placed on next month’s agenda. After discussion, Director Ball made a motion to adopt the Resolution Authorizing Application to the TCEQ for Approval for Use of Surplus Funds for the INFOTM reimbursement, and to authorize the President and Secretary to execute the Resolution Authorizing Application to the TCEQ for Approval for Use of Surplus Funds on behalf of the Board and the District. Director Evans 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 the status of the contract with Johnson Fence, Ltd. (“JF”). Mr. Gard reported that the electrical service to the park has been hooked up and turned on. He stated that the pet drinking fountain kit was installed on the drinking fountain at the park and is working properly. Mr. Gard stated that the lights are scheduled for shipment on August 26, 2020. He stated that a final turnover walkthrough and to provide a punchlist of items will be scheduled upon installation of lights.

The Board then discussed operating hours for the park and concurred that closing hour for the park will be 9:00 p.m.

Director Lowery noted that the recording of the meeting shut off due to the memory card being full. He then stated that he would have the memory card delivered to MRPC's offices.

The Board next considered the adoption of an Order Declaring Candidates Elected. Mr. Marks advised that in accordance with Subchapter C, Chapter 2 of the Election Code and Section 2.052 of the Election Code, after 5:00 p.m. on August 21, 2020, the District may cancel the election if each candidate whose name appears on the ballot and/or has registered as a write-in candidate is unopposed in such election and the Board of Directors of the District can declare such unopposed candidates to be re-elected for an additional term. Mr. Marks presented a certificate declaring all candidates unopposed and presented and reviewed various portions of the Order Declaring Candidates Elected. After discussion, Director Lowery made a motion to adopt the Order declaring Directors Lusby, Ball and Evans re-elected for an additional term expiring in November of 2024, and to authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Evans seconded the motion, which unanimously carried.

The Board next considered matters for possible placement on future agendas. The Board then discussed holding the next meeting via video conference.

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

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Secretary, Board of Directors

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
August 25, 2020

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. Operations Report
7. Engineer's Report with related correspondence
8. Bond Surplus Funds Calculation
9. Landscape Architect Report from KGA