

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
August 27, 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 August 27, 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, thus constituting a quorum.

Also present were Jim Ainsworth, Jacob Valentien and Faith Tolson 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"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Chris Cox of the Williamsburg Settlement Maintenance Association ("WSMA"); Rob Morris of Skybox Houston I, LP ("Skybox"); Jason Valudos of Critical Project Services; Greg Nady, member of the public; and David Marks 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. Mr. Nady addressed the Board regarding the Barker Cypress trail connection grant project. He asked the Board whether it would be interested in investigating options for the hike and bike trails near the proposed Houston Community College. The Board indicated that it would be interested in placing an item on the agenda to discuss options once Weston Municipal Utility District has agreed to participate in the trail connection grant project.

The Board next considered approval of the minutes of the Board of Directors meeting held on July 23, 2019. After discussion, Director Evans made a motion to approve the minutes of the meeting of July 23, 2019, as amended. Director Ball seconded the motion, with Directors Evans, Lowery, Lusby and Ball voting in favor and Director BeMent abstaining.

The Board next considered a discussion regarding the National Night Out event. Mr. Cox of the WSMA requested the Board's support for the National Night Out event to be held on October 1, 2019. After discussion, Director Ball made a motion to authorize a District contribution of \$3,000 for the event to promote water conservation in the District in exchange for a water conservation table at the event for the District. Director Lowery seconded the motion, which carried unanimously. Mr. Morris of Skybox then agreed to contribute \$500 for the event.

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 he will bring a proposal next month for the removal of sediment in the ponds.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority (“WHCRWA”). No one present had anything new to report.

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 Ball made a motion to approve payment on the General Operating Account of check nos. 7319 through 7346 inclusive, and 7347 and 7349, on the Capital Projects Fund of check no. 1268, on the Construction Park Bond Account of check nos. 1066 and 1067, and on the Williamsburg Water Plant General Operating Account of check nos. 3866 through 3875, inclusive, as identified in the reports. Director Lowery seconded the motion, which carried unanimously.

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 July. She reported that 99.15% of the District’s 2018 taxes had been collected through July 31, 2019. After review and discussion of the reports, Director Lowery made a motion to approve the reports and authorize payment on the Tax Account, of check nos. 2522 through 2528, inclusive, and a wire transfer, as identified in the report. Director Evans 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 July 31, 2019. She next reviewed the attached written report dated August 27, 2019, which had been prepared by the District’s delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

The Board next received the Financial Advisor’s recommendation concerning the establishment of the District’s 2019 tax rate and the consideration of a proposal of the District’s 2019 tax rate. Ms. Crotwell reviewed the attached 2019 Debt Service Tax Rate Recommendation which included the financial advisor’s recommendation that the District levy a 2019 total combined tax rate of \$0.48 consisting of \$0.3650 debt service and \$0.1150 maintenance tax. After discussion, Director Ball made a motion authorizing the District’s Tax Assessor/Collector to publish notice of a public hearing on the adoption of a combined proposed 2019 tax rate of \$0.48 per \$100 of assessed valuation to be held at the District’s next regular meeting. Director Lowery seconded said motion, which carried unanimously.

The Board next considered alternatives relating to contracting for security patrol in the District. Director Lowery recommended that the District proceed with a shared contract with Harris County Municipal Utility District No. 62 (“HCMUD No. 62”) to include two (2) full time deputies, five (5) days a week and Saturday night. He also noted that the installation of security cameras will cost approximately \$24,000 per year for ten (10) security cameras with the District to pay sixty percent (60%) of the total cost. After discussion, Director Lowery made a motion to approve the District moving forward with discussions to enter into a shared contract with HCMUD No. 62, and to proceed with holding a town hall meeting to discuss the proposal with the

communities. Director BeMent seconded the motion, with Directors BeMent, Lowery and Lusby voting in favor, and Directors Ball and Evans abstaining.

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 held a meeting 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.

The Board next considered approval of plans and specifications for the weir elevation modification. Mr. Valentien stated that A&S is in the process of preparing plans and specifications.

The Board next deferred approval of plans and unsteady state model and authorizing submission to Harris County as same was no longer necessary.

The Board next considered the status of the contract with SKE Construction LLC ("SKE") for Waterline and Water Meter Replacement, Phase 1. Mr. Valentien stated that SKE completed all punchlist items and that A&S will be meeting with SKE this afternoon to discuss the agreement on a change order request. He then presented Change Order No. 2 in the amount of \$138,380, and recommended that the Board approve payment of same. He then presented an executed TEC Form 1295 in connection with the change order. After discussion, Director Lowery made a motion to approve payment of Change Order No. 2, as set out above, with the finding that such Change Order was necessary and beneficial to the District. Director Evans seconded the motion, which carried unanimously.

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 work continues 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 a discussion regarding the proposed regional lift station. Mr. Valentien stated that A&S has requested a copy of the proposed Operating Agreement and is coordinating with the Operator for same.

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.

The Board next considered a report 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 considered the issuance of utility commitments. No one present had anything new to report.

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.

Mr. Valentien reported that A&S received a preliminary set of plans for the proposed improvements at Mason Road and Colonial Parkway and is currently reviewing same.

The Board next considered review of the feasibility study for the development north of Franz Road to serve the Skybox expansion. Mr. Valentien reviewed the attached feasibility study and stated that he would like to coordinate a meeting with the Board and Skybox to discuss the matter further. The Board concurred that Directors Lusby and BeMent coordinate a meeting with Skybox.

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 99% 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 has added the mandatory language required by Senate Bill 239 to the water bill. Director Lusby advised that he will take the District's website down temporarily to update same.

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 40% of capacity for the month of July.

The Board next considered the status of the contract with Johnson Fence, Ltd. Mr. Gard reviewed the attached landscape architect report and stated that KGA received the necessary permit documentation from Harris County. He then stated that the notice to proceed was issued yesterday. Mr. Gard stated that A&S has a surveyor ready to begin staking the site. He then stated that KGA has been coordinating with A&S and the parks committee to complete the plans for the loop trail around the detention basin. Mr. Gard recommended that the Board authorize KGA to add irrigation and landscaping to the design plans. The Board concurred that the design plans should be based upon the appearance of the detention ponds in Interstate Municipal Utility District.

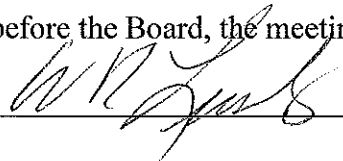
The Board next considered a discussion regarding notices from WSMA. The Board discussed the attached notice regarding the home located at 22023 Bucktrout Lane and noted that

there is no home located on the property. Director Ball stated that the District may get an additional letter from the WSMA but that he will handle the matter.

The Board next considered the approval of the attached Resolution Regarding Information Stored on Privately-Owned Devices. Mr. Marks reported that Senate Bill 944 will require that a current or former officer or employee of a governmental body who maintains public information on a privately owned device to forward or transfer the public information to the governmental body or a governmental body server for preservation or preserve the information in its original form in a backup or archive and on the privately owned device for the time prescribed by the governmental body's records retention program. He stated that in order to comply with the requirements of Senate Bill 944, MRPC is recommending that each Board member transfer all public information created or received by such Board member to a Google email address for archiving with the District's records. He noted that MRPC has set up the email address of harriscountymud61@gmail.com for the District for such purposes. After discussion, Director Lusby made a motion to approve the Resolution and authorize the President to execute and the Secretary to attest same on behalf of the Board and the District. Director Ball seconded the motion, which unanimously carried.

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
August 27, 2019

1. FEEC report
2. Bookkeeper's Report
3. Tax Assessor Collector's Report
4. Delinquent Tax Report
5. 2019 Tax Rate Recommendation
6. Engineer's Report with related correspondence
7. Feasibility Study for Development North of Franz Road
8. Operations Report
9. Landscape Architect Report
10. Notice from WSMA
11. Resolution Regarding Information Maintained on Privately-Owned Devices