

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
February 26, 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 February 26, 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 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"); Mark Eyring of Roth & Eyring PLLC ("R&E"); Richard Martin of First Environment Erosion Controls, Inc. ("FEEC"); Kelly Gard of KGA DeForest ("KGA"); Chris Cox of Williamsburg Settlement Maintenance Association, Inc. ("WSMA"); Gary Hannon of Katy Bear Construction, LLC; 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. Chris Cox of WSMA presented the District with a certificate of appreciation for its participation in National Night Out.

The Board next considered approval of the minutes of the Board of Directors meeting held on January 22, 2019. After discussion, Director Evans made a motion to approve the minutes of the meeting of January 22, 2019, as presented. Director Lowery 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. He reported that FEEC cleaned the storm water quality features and storm troopers and reviewed the attached maintenance report for same.

The Board next considered approval of the audit report for fiscal year ended October 31, 2018. Mr. Eyring presented and reviewed with the Board the draft audit report. After discussion, Director BeMent made a motion to approve the audit report for the fiscal year ended October 31, 2018, subject to review by the consultants, to authorize the President to execute the Annual Filing Affidavit on behalf of the Board and District, and to file the audit report and Annual Filing Affidavit with the appropriate governmental authorities, including the Texas Commission on Environmental Quality. Director Lowery seconded the motion, which carried unanimously.

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. 7160 through 7184 inclusive, on the Capital Projects Fund of check nos. 1259 through 1261, on the Construction Park Bond Account of check nos. 1048 through 1050, and on the Williamsburg Water Plant General Operating Account of check nos. 3810 through 3819, inclusive, as identified in the reports. Director Ball 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 January. She reported that 95.01% of the District's 2018 taxes had been collected through January 31, 2019. After review and discussion of the reports, Director BeMent made a motion to approve the reports and authorize payment on the Tax Account, of check nos. 2414 and 2485 through 2490, inclusive, and two (2) wire transfers, 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 January 31, 2019. She next reviewed the attached written report dated February 26, 2019, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P ("Perdue"). The Board then requested that Perdue move forward with instituting collection against Texma Petroleum Machinery LLC.

Mr. Marks next outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Sections 11.13 and 11.184 of the Property Tax Code. The Board concurred that it should increase the exemption for those taxpayers age 65 or older from \$55,000 for 2018, to \$60,000 for 2019. After discussion on the matter, Director BeMent made a motion to approve the attached Resolution Concerning Exemptions From Taxation. Director Evans seconded the motion, with Directors Lowery, BeMent, Evans and Ball voting in favor, and Director Lusby abstaining.

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 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 submitted the design plans to the TCEQ for review.

The Board next deferred approval of the award of construction contract for expansion of water, sanitary sewer and drainage facilities to serve Skybox expansion as A&S is awaiting a response from Skybox.

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 Link's Construction for water line extension to serve the Soufan tract development. Mr. Valentien reported that the final accounting of the project has been completed and that A&S recommends authorizing refunding the developer the remainder of the deposit in the amount of \$83,178.78. After discussion, Director BeMent made a motion to authorize refunding the developer the remainder of the deposit in the amount of \$83,178.78. Director Lusby seconded the motion, which carried unanimously.

The Board next considered the status of the contract with SKE Construction LLC ("SKE") for Waterline and Water Meter Replacement, Phase 1. Mr. Valentien presented Pay Application No. 11 in the amount of \$8,739.00 and recommended that the Board approve payment of same. After discussion, Director Ball made a motion to approve payment of Pay Application No. 11, as set out above. Director BeMent seconded the motion, which unanimously carried.

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 have been renewed.

The Board next considered the status of the Flood Mitigation Evaluation. Mr. Valentien presented and reviewed the attached Detention Pond Capacity and Weir Elevation Adjustment. He stated that a quick analysis indicates that the weir elevation can be lowered nine (9") to twelve (12") inches but that a detailed analysis will be required to evaluate the outflow-storage relationship. He stated that A&S can complete the detailed report at a cost of \$10,000. After discussion, Director BeMent made a motion to authorize A&S to prepare a detailed analysis of the outflow-storage relationship at a cost of \$10,000 pursuant to the terms of the contract with the District. Director Ball seconded the motion, which unanimously carried.

Mr. Valentien reported that Lake Management Systems, LP completed the replacement of lights in the tree fountains with LED lights.

The Board next deferred the annual review of the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects.

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 deferred consideration of 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.

The Board next considered a report regarding the status of the preparation of parks plans. Mr. Gard reviewed the attached report and stated that KGA is waiting on comments from

CenterPoint Energy and that minor comments were received from Harris County. He stated that once KGA receives comments from Harris County he will begin advertisement for bids. Mr. Valentien reported that A&S issued a No Objection Letter for the proposed Dunmore Park plans.

The Board next considered a report on the District's water, sanitary sewer and storm sewer systems for the month of January. Mr. Wright reported that 98% of the water pumped during the month of January had been accounted for, and that the District's facilities had been operated in compliance with their respective permits.

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 41% of capacity for the month of January.

The Board next considered the adoption of a Resolution Regarding Review of Drought Contingency Plan ("Plan"). Mr. Marks advised that the TCEQ requires that the Plan be reviewed on a set five year schedule with the next review deadline being May 1, 2019. He advised that no changes were necessary at this time. After discussion on the matter, Director BeMent moved that the attached Resolution Regarding Review of Drought Contingency Plan be adopted and that MRPC be authorized to file same with the necessary reporting agencies. Director Ball seconded said motion, which unanimously carried.

The Board next deferred consideration of alternatives relating to contracting for security patrol in the District as Director Lowery stated that he had nothing new to report to the Board.

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
February 26, 2019

1. FEEC Report
2. Bookkeeper's Report
3. Tax Assessor Collector's Report
4. Delinquent Tax Report
5. Resolution Concerning Exemptions from Taxation
6. Engineer's Report with related correspondence
7. Detention Pond Capacity and Weir Elevation Adjustment from A&S
8. Landscape Architect Report
9. Operations Report
10. Resolution Regarding Review of Drought Contingency Plan