

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
July 23, 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 July 23, 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 Directors 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”); Mark Elkins of Mason & Franz Partners, LP (“M&F”); and David Marks of Marks Richardson PC (“MRPC”).

Due to the absence of the President and Vice President, the Board appointed Director Ball as Chair Pro-Tem for the meeting.

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 June 25, 2019. After discussion, Director Evans made a motion to approve the minutes of the meeting of June 25, 2019, as amended. Director Lusby 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 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 Evans made a motion to approve payment on the General Operating Account of check nos. 7289 through 7312 inclusive, on the Capital Projects Fund of check no. 1267, on the Construction Park Bond Account of check nos.

1064 and 1065, and on the Williamsburg Water Plant General Operating Account of check nos. 3855 through 3865, 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 June. She reported that 99.04% of the District's 2018 taxes had been collected through June 30, 2019. After review and discussion of the reports, Director Lusby made a motion to approve the reports and authorize payment on the Tax Account, of check nos. 2513 through 2521, 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 June 30, 2019. She next reviewed the attached written report dated July 23, 2019, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

Mr. Marks next presented the attached handout from the Harris County Appraisal District regarding the proposed budget for the 2020 fiscal year.

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. Mr. Valentien stated that SKE completed all punchlist items and that A&S continues to work with SKE to reach agreement on a change order request. He stated that A&S hopes to have the project closed out at the August Board meeting.

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 continues work on the easements from Mason & Franz Partners, LP ("M&F").

The Board next considered the issuance of utility commitments. Mr. Elkins reviewed the attached proposed plan for The Oaks at Mason Office Park.

The Board next considered the approval of an Acknowledgment of Notice and Indemnity (“Acknowledgment”) relative to the Collateral Assignment of MUD Reimbursements by and between Mason & Franz Partners, LP and Spirit of Texas Bank, SSB. After discussion, Director Lusby made a motion to approve the Acknowledgment and to authorize the President to execute same. Director Evans 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 are all up to date.

The Board next considered the status of the Flood Mitigation Evaluation. Mr. Valentien reminded the Board 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. Director Ball recommended that the Board approve the proposal for the weir elevation modification at a cost of \$30,400 and authorize A&S to begin preparation of plans and submit an unsteady state model to Harris County at a cost \$25,000. After discussion, Director Ball made a motion to authorize preparation of plans for the weir elevation modification at a cost of \$30,400, authorize A&S to begin preparation of plans and submit an unsteady state model to Harris County at a cost of \$25,000, and authorize A&S to coordinate with Kinder Morgan regarding same. Director Lusby seconded the motion, which unanimously carried.

The Board next deferred consideration of a discussion regarding the proposed regional lift station.

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 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 the approval of a Utility Development Agreement (“UDA”) with Skybox Houston LP. Mr. Marks stated that the Board previously approved the UDA on December 18, 2018.

The Board next considered a report on the District’s water, sanitary sewer and storm sewer systems for the month of June. Mr. Wright reported that 95% of the water pumped during the month of June had been accounted for, and that the District’s facilities had been operated in compliance with their respective permits.

Mr. Wright next requested that the Board authorize MOC to turn over nineteen (19) delinquent accounts (over \$25.00) in the total amount of \$2,703.49 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 nineteen (19) subject accounts to CU, as set out above. Director Lusby seconded the motion, which passed unanimously.

Mr. Wright next asked the Board whether it would like MOC to paint the new fire hydrants located on Mason Road. After discussion, the Board concurred that MOC should paint the new fire hydrants on Mason Road.

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 June.

The Board next considered alternatives relating to contracting for security patrol in the District. Director Ball reported that he attended last month's Williamsburg Settlement Maintenance Association meeting. He also noted that he spoke with representatives from Harris County Municipal Utility District No. 62's ("HCMUD No. 62") Homeowners Association. He stated that he had nothing new to report.

The Board next considered the status of the contract with Johnson Fence, Ltd. Mr. Gard reviewed the attached landscape architect report and stated that the contracts with Johnson Fence, Ltd. are ready to be presented for execution by the Board. He also noted that KGA is coordinating with Harris County to expedite the necessary permit documentation. Mr. Gard stated that a notice to proceed will be issued as soon as the necessary permits are received. Director Lusby noted that the park plans have been added to the District's website. Mr. Gard then presented the attached Rules and Regulations Governing the Use of Parks Within the District.

Director Lowery entered the meeting at this time and assumed the Chair.

The Board next considered an update of the 86th Texas Legislature. Mr. Marks presented the attached Memorandum from MRPC and reviewed same with the Board.

The Board next considered a policy relating to comments by members of the public. Mr. Marks recommended adoption of a policy imposing a three-minute speaking limit for each member of the public wishing to address the Board. After discussion, Director Lowery made a motion to adopt the attached policy. Director Evans seconded the motion, which unanimously carried.

The Board next considered matters for possible placement on future agendas. Mr. Marks stated that an item will be added to the agenda for the September meeting to consider a report from Acclaim Energy regarding the energy market.

The Board next discussed alternatives relating to contracting for security patrol in the District. Director Lowery stated that he met with representatives of HCMUD No. 62 on July 14, 2019. He stated that HCMUD No. 62 is in favor of proceeding with a shared contract to include two (2) full time deputies, five (5) days a week and Saturday night. He requested that the Board consider the matter at the next meeting. The Board then discussed security camera alternatives for the District.

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

Secretary, Board of Directors

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ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
July 23, 2019

1. FEEC report
2. Bookkeeper's Report
3. Tax Assessor Collector's Report
4. Delinquent Tax Report
5. Notice of Public Hearing on HCAD Budget
6. The Oaks at Mason Office Park handout
7. Engineer's Report with related correspondence
8. Operations Report
9. Landscape Architect Report
10. Rules and Regulations Governing Use of Parks within District
11. Update on 86th Texas Legislature
12. Policy on Speaking Limit for Members of the Public