

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
September 24, 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 September 24, 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”); Venessa Hernandez 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”); 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. 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 August 27, 2019. After discussion, Director Lowery made a motion to approve the minutes of the meeting of August 27, 2019, as presented. Director BeMent seconded the motion, which unanimously carried.

The Board next conducted a public hearing relative to the District’s proposed 2019 debt service tax rate and maintenance tax rate. Mr. Marks reported that W&A had published the tax rate publication in accordance with state law requirements. The President announced the hearing open and invited members of the public to address the Board on the proposed 2019 debt service tax rate and maintenance tax rate. Seeing no persons interested in addressing the Board, the President then announced the hearing closed.

The Board next considered the adoption and levy of the District’s 2019 proposed debt service and maintenance tax rate. After discussion, Director Lowery made a motion to levy a 2019 debt service tax rate of \$0.365 per \$100 of valuation and a 2019 maintenance tax rate of \$0.115 per \$100 of valuation for a total tax rate of \$0.48 per \$100 valuation, and to adopt the attached Order Levying Taxes. Director BeMent seconded the motion, which carried unanimously.

Mr. Marks next reviewed with the Board a Second Amendment to the Fifth Amended and Restated District Information Form in connection with the levy of the 2019 tax rate. After

discussion, Director Evans made a motion to approve the Form and to authorize the Board members present to execute same. Director Lowery seconded the motion, which carried unanimously.

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 next presented a proposal for a pilot channel dip-out on Colonial Parkway, Mason Seniors and Big Box detention ponds for \$12,845.00. He also presented an executed TEC Form 1295 from FEEC. After discussion, Director Ball made a motion to authorize the proposed work at a cost of \$12,845.00. 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”). Mr. Marks presented the attached correspondence from the WHCRWA and stated that the WHCRWA anticipates increasing its fees by \$0.25 per 1,000 gallons of water effective January 1, 2020. Mr. Marks also presented correspondence received from the WHCRWA regarding a request to reconsider action relating to installation of WHCRWA meter at the District’s Water Plant. The Board took no action on the matter.

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. 7351 through 7377 inclusive, on the Capital Projects Fund of check nos. 1269 and 1270, on the Construction Park Bond Account of check nos. 1068 and 1097, and on the Williamsburg Water Plant General Operating Account of check nos. 3876 through 3884, inclusive, as identified in the reports. Director Lowery seconded the motion, which carried unanimously.

Ms. Adams exited the meeting.

The Board next deferred adoption of an operating budget for the fiscal year ending October 31, 2020.

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 99.32% of the District’s 2018 taxes had been collected through August 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. 2528 through 2530, inclusive, as identified in the report. Director Lowery 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 August 31, 2019. She next reviewed the attached written report dated September 24, 2019, which had been prepared by the District’s delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P.

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 for review by the end of the month.

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 is scheduled to meet with Skybox this week 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 and that A&S has a preliminary set of drawings ready to review with Mr. Kelly Gard of KGA. He stated that A&S plans to submit to Harris County before the October meeting. The Board questioned what the cost difference would be to increase the weir to forty feet (40') wide rather than the current twenty feet (20'). Mr. Valentien stated that the cost would be \$16,200. Director Ball recommended that the Board increase the weir width to forty feet (40') and complete same with the elevation modification work. After discussion, Director Ball made a motion to authorize A&S to include the alternate item to increase the weir width to forty feet (40') in the weir elevation modification project. Director BeMent seconded the motion, which unanimously carried.

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 Change Order No. 3 in the amount of \$80,154, and Pay Application No. 14 and Final in the amount of \$239,451.55 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 BeMent made a motion to approve payment of Change Order No. 3, and Pay Application No. 14 and Final, as set out above, with the finding that such Change Order is necessary and beneficial to the District, and accept the project as complete. Director Lusby seconded the motion, with Directors BeMent, Lusby, Ball and Evans voting in favor, and Director Lowery abstaining.

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").

Mr. Valentien reported that construction has started on the M&F development and that the contractor connected to the District's facilities without notice to the District. He stated that water and sanitary sewer lines flooded following Tropical Storm Imelda and that rainwater and sediment were pumped into the lift station at the WWTP. Mr. Valentien stated that A&S will investigate the matter. Mr. Wright stated that MOC will clean the lift stations and backcharge all costs associated with the cleaning back to the contractor.

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. Mr. Valentien 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.

The Board next considered a report on the District's water, sanitary sewer and storm sewer systems for the month of August. Mr. Wright reported that 106% of the water pumped during the month of August 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 42% of capacity for the month of August. After discussion, Director Evans made a motion not to disconnect service this month due to mail delay issues following Tropical Storm Imelda. Director Lusby seconded the motion, which unanimously carried,

The Board next considered alternatives relating to contracting for security patrol in the District. Director Lowery stated that he met with members of Harris County Municipal Utility District No. 62 ("HCMUD No. 62") who approved proceeding with a shared contract. He stated that the next step will be to meet with the District's and HCMUD No. 62's Homeowners Association ("HOA") Board, which is scheduled for October 15, 2019. Director Lowery stated that after the HOA approves a town hall meeting will need to be held to discuss the proposal with the communities. The Board then discussed possible locations to hold the town hall meeting. The Board took no action the matter at this time.

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 on August 26, 2019. Mr. Gard stated that KGA is coordinating with A&S and the parks committee to complete the plans for the loop trail around the detention basin.

Mr. Gard next stated that items have been discovered during excavation and grading and he presented the attached photos regarding the matter. He stated that a gas line was found in the way when the contractor tried to tie the park drainage system into the inlet at Mason Road. Mr. Gard stated that KGA will need to submit revised plans to Harris County as it affects the drainage system. He stated that work will continue on the rest of the park.

Mr. Gard next reported that south of the shade structure, a concrete slab was found buried two feet (2') below the ground. He stated that KGA is still investigating the matter but that the slab may need to be removed to allow for the installation of lights, landscaping, etc. The Board concurred that the buried concrete slab be removed.

Mr. Gard next reported that when KGA did the initial design, the existing concrete light pole bases were not on the survey and it was assumed that they were in the Mason Road right-of-way. He stated that after the site was flagged, it was determined that one light pole base is within the Mason Road right-of-way and the other is within the park. He recommended removing both poles, and at the least, remove the northern light pole that is within the park. The Board concurred to remove both light poles.

Mr. Gard next reported that when KGA did the initial design, he assumed there would be enough dirt left over from the site grading to fill in where the driveway turn ins were removed. He stated that it now appears that they will not have enough extra dirt on site to fill in the areas. He then recommended bringing in extra dirt to raise the areas up to grade behind the new curbs. The Board concurred to bring in extra dirt to fill in the area behind the new curbs.

After discussion, Director BeMent made a motion to authorize KGA to work with the contractor to prepare Change Order No. 1, in the estimated amount of \$3,810 to \$4,660, to address the items listed above. Director Lowery seconded the motion, which unanimously carried.

Mr. Gard next discussed the irrigation and landscaping design plans. He stated that the cost of staking, landscaping and irrigation from the trails to the detention pond will cost approximately \$125,000. He stated that if the number of flower beds and trees are reduced the cost will be approximately \$70,000. Mr. Gard stated that the cost to spruce up the existing landscaping will be approximately \$37,000. The Board deferred action on the matter until completion of Dunmore Park.

The Board next considered the review and approval of a proposal from Off Cinco for website maintenance. Director Lusby presented the attached proposal for website design and maintenance received from Off Cinco. He reviewed various options for website design layouts ranging from \$1,500 to \$3,000, monthly hosting services and website maintenance. He also presented a draft Contract and executed TEC Form 1295 from Off Cinco. After discussion, Director Lowery made a motion to approve the proposal from Off Cinco for website maintenance for the fixed layout option, Option 2 for monthly hosting, and to obtain an SSL Certificate. Director Evans seconded the motion, which unanimously carried. Director Lusby agreed to meet with Off Cinco to discuss the contract.

The Board next concurred to take no action relative to Nominating a Candidate for a Position on the Board of Directors of the Harris County Appraisal District.

The Board next considered matters for possible placement on future agendas. The Board requested that an item be added to the agenda for the next meeting to consider an amendment to the District's Rate Order.

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
September 24, 2019

1. Order Levying Taxes
2. FEEC Report
3. Correspondence from WHCRWA
4. Bookkeeper's Report
5. Tax Assessor Collector's Report
6. Delinquent Tax Report
7. Engineer's Report with related correspondence
8. Operations Report
9. Landscape Architect Report
10. Website Proposal from Off Cinco