

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
June 11, 2009

The Board of Directors of Harris County Municipal Utility District No. 61 met at 3700 Buffalo Speedway, Suite 830, Houston, Harris County, Texas, on June 11, 2009, 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:

Dennis Gorden, President
Joseph B. Ornowski, Vice-President
R. D. Sherrill, Secretary
Raymond T. Miller, Asst. Secretary

and all of said persons were present, except Director Ornowski, thus constituting a quorum.

Also present were Jim Ainsworth and Nawaraj Panthi of A&S Engineers, Inc. ("A&S"); Robin Secrest of Hays Utility South Corporation ("Hays Utility"); Robin Humphrey of Wheeler & Associates, Inc.; Beulah Kelly of Myrtle Cruz, Inc.; Richard Erbert and Floyd Ball, residents of the District; and David Marks and Christina Coffman of David M. Marks, P.C. ("DMM").

The President called the meeting to order and declared it open for business.

As the first order of business, the Board considered the appointment of Richard Erbert to the Board of Directors to fill the vacancy left by Alan Blair. Upon motion duly made by Director Miller, seconded by Director Sherrill and unanimously carried, said appointment of Mr. Erbert to the Board of Directors was accepted.

The Board next considered acceptance of a Qualification Statement, Oath of Office, Affidavit of Current Resident and Election Not to Disclose Certain Information executed by Mr. Erbert. The Board was then presented with evidence of the qualifications of Mr. Erbert to serve on the Board of Directors. Mr. Marks advised that the qualification statement required to be executed had been executed by Mr. Erbert and that same would be filed with the Secretary of State in a timely manner. Mr. Erbert took his oath of office. After discussion on the matter, it was moved by Director Miller, seconded by Director Sherrill and unanimously carried, that the Board accept said qualification statement and oath and appoint Richard Erbert as a member of the Board of Directors of the District for the unexpired term of Alan Blair. Director Erbert participated in the remainder of the meeting.

The Board next considered a report regarding drainage and flooding issues in the District. In that regard, Mr. Marks discussed the District's involvement relative to the drainage system. He advised that Harris County owns the underground storm sewer system; therefore, the District has limited authority to modify same. Mr. Marks next advised that the developer owns the detention pond and noted that same was designed by the developer's engineer in accordance with design criteria set by the Harris County Flood Control District ("HCFCD"). He stated that the District's involvement relative to construction of the detention pond consisted of the District requesting that the detention pond be constructed with a wet bottom. Mr. Ball next addressed the Board. In that regard, he queried if the District will take ownership of the detention pond. Mr. Marks advised that the District will take ownership of the detention pond after completion of

same and after an inspection has been performed. Mr. Marks further noted that the District will take over maintenance of the detention pond after acceptance by the District. Director Gorden stated that the pond is intended to be an asset to the District, both functionally and aesthetically. Director Sherrill reported that the District plans to hold a meeting to discuss flooding issues with the HCFCFCD's engineer, Mr. Ainsworth, the developer's engineer, and District residents. Mr. Ball next advised the Board of a meeting at his residence to be held this Saturday to discuss flooding issues with District residents and extended an invitation to the Board. Director Sherrill thanked Mr. Ball for the invitation and noted that the District meeting will be scheduled within the next few weeks. Director Miller next expressed concern relative to new development in the District and its contribution to flooding. Mr. Ainsworth stated that based upon the HCFCFCD design criteria, new development should not contribute to flooding. Mr. Ainsworth next presented a PowerPoint presentation relative to the flood event of April 28, 2009, summarizing the role of the original subdivision layout, the results of the preliminary SWMM analysis of the storm sewer system and the detention pond, possible modifications under construction, and maintenance items. In connection therewith, Mr. Ball stated that the slideshow was very informative and recommended that same be presented at the District's meeting to discuss flooding.

The Board considered approval of the minutes of the Board of Directors meeting held on May 14, 2009. After discussion of the minutes presented, Director Sherrill moved that the minutes of the meeting of May 14, 2009, be approved, as corrected. Director Gorden seconded said motion, which unanimously carried.

The Board next considered the financial and investment reports and invoices presented for payment. In that regard, Ms. Kelly distributed the attached bookkeeping report, investment inventory report, and bills for payment. After review and discussion of the reports presented, Director Sherrill moved that the Board approve payment on the Operating Fund Account at Compass Bank, being check nos. 4523 through 4541, inclusive, with check no. 4527 being voided, and on the Williamsburg Water Plant Account at Compass Bank, being check nos. 2814 through 2820, inclusive, as identified in said report. Director Erbert seconded said motion, which carried unanimously.

The Board next considered authorizing the preparation of an Unclaimed Property Report as of June 30, 2006, and the filing of same with the State Comptroller prior to November 1, 2009. After discussion on the matter, Director Gorden moved that the District's consultants be authorized to prepare an Unclaimed Property Report, if necessary, and that DMM file same with the State Comptroller prior to November 1, 2009. Director Erbert seconded said motion, which unanimously carried.

The Board next considered the status of collection of taxes. In that regard, Ms. Humphrey presented a report and the delinquent tax roll for the month of May, copies of which are attached hereto. She reported that 97.72% of the District's 2008 taxes had been collected through May 31, 2009. After review and discussion of the reports presented, Director Sherrill moved that the Board approve said report and authorize payment on the Tax Account, being check nos. 1767 and 1794 through 1798, inclusive, as identified in said tax assessor collector's report. Director Erbert seconded said motion, which carried unanimously. There was next a discussion regarding the status of the District's delinquent tax accounts.

Ms. Humphrey next presented for the Board's review and information a written report dated June 11, 2009, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached hereto.

The Board next considered authorizing Perdue to proceed with the collection of 2008 delinquent taxes, including the filing of lawsuits. After discussion on the matter, Director Sherrill moved that Perdue be authorized to proceed with the collection of the District's 2008 and prior years delinquent tax accounts on July 1, 2009, including the filing of lawsuits as necessary. Director Erbert seconded said motion, which unanimously carried.

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. In that regard, Mr. Ainsworth presented a report and related correspondence relative to same, copies of which are attached hereto.

The Board next considered approval of plans and authorizing advertisement for bids relative to the construction of amenity improvements to the detention pond. In that regard, Mr. Ainsworth advised that plan preparation continues. He noted that a package will be presented to the Board for review at the July meeting. Mr. Ainsworth reported that A&S has not yet made a determination relative to the surface material to be used for the access ramps located from the top of the bank to the bottom of the pond. He noted that the final detention/amenity pond construction costs remain unresolved.

With regard to the status of the contract with Hurtado Construction Company for water, sanitary sewer and drainage facilities to serve Westside Office Park, Mr. Ainsworth reported that the scope of work is complete.

With regard to the status of the contract with Triple B Services, LLP ("Triple B") for detention and outfall facilities to serve the Westside Office Park, Mr. Ainsworth reported that the project is essentially complete and noted that Triple B is addressing the necessary items for the final inspection scheduled for June 16, 2009. Mr. Ainsworth reported that turf and vegetation issues remain. He noted that A&S has received the as-built drawings for the detention pond. Mr. Ainsworth next reported that Change Order No. 4, in the amount of \$57,914.10 to increase the volumes of in-place clay liner and for over-excavation of the clay liner, still remains unresolved. He noted that he is continuing discussions with Edminster, Hinshaw & Russ relative to how the Board is to handle the matter. Mr. Ainsworth next presented the Board with Storm Water Solutions' Application for Payment No. 9 in the amount of \$325.00, a copy of which is attached hereto, and recommended payment of same by the developer. After discussion on the matter, Director Sherrill made a motion that the Board concur in payment of Application for Payment No. 9 in the amount of \$325.00 to Storm Water Solutions, by the developer, as set out above. Director Erbert seconded said motion, which unanimously carried.

The Board next considered the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District. Mr. Ainsworth noted that there was no action required by the Board at this time.

The Board next considered a report on the regional sewage treatment plant, including the status of expansion of the wastewater treatment plant and the status of lease payments. In that regard, Mr. Marks advised that he met with John Wallace and Truman Edminster to discuss the sale of a portion of the Simon owned property located in Harris County Municipal Utility District Nos. 62 and 63. Mr. Marks stated that Simon has no treatment capacity and is unable to obtain capacity without a plant expansion. He noted that Simon is requesting that the District lend capacity, as all of its commitments have expired. Mr. Marks recommended that if the District decides to lease capacity to Simon, a significant deposit be required and a capital escrow agreement be executed. Director Gorden stated that the plant is nearing completion and an additional change order may be presented.

The Board next deferred discussion relative to maintenance of the detention and amenity pond.

The Board next deferred consideration of a report on shared facilities to be constructed to serve the Westside Office Park.

The Board next considered the status of the proposed annexation of a 19.042 acre tract of land into the District by Raymond Louis Franz and Emma L. Franz Investments, Ltd. In that regard, Mr. Marks reported that the annexation documents have been submitted to the Franz Family for execution.

The Board next considered the issuance of utility commitments. In that regard, Mr. Ainsworth reported that no new requests had been received.

The Board next considered the status of development of property within the District. In that regard, Mr. Ainsworth reported that Mr. Steinweg has advised that a reimbursement agreement needs to be assigned to the senior citizen multi-family developer for construction of the 120 unit apartment building.

The Board next considered the report on the District's water, sanitary sewer and storm sewer systems for the month of May, a copy of which is attached hereto. In that regard, Ms. Secrest reported that 103.19% of the water pumped during the month of May had been accounted for. Ms. Secrest advised that a contractor working in Harris County Municipal Utility District No. 62 left the interconnect with Harris County Municipal Utility District No. 63 open and water was subsequently supplied to the District for 6 days.

Ms. Secrest next reported that the District's facilities had been operated in compliance with their respective permits during the month and that all bacteria samples were negative. She noted that no appeals have been received.

Ms. Secrest next reported that Harris County Precinct 3 contacted Hays Utility to advise that the street is sinking at the intersection of Abby Aldridge and Joshua Kendall and requested that the District repair same. Ms. Secrest noted that there is no record of a District repair having been made and there is no sign of any problems with the District's facilities in that area.

Ms. Secrest next reported that a flushing of the entire District is planned for next week. Mr. Ainsworth requested that said flushing be deferred until construction of the detention pond is complete. Ms. Secrest noted that Hays Utility has not been receiving many dirty water calls. After discussion, the Board concurred not to flush the District at this time.

The Board next deferred completing the P2 valve repairs.

Ms. Secrest next advised that the dead tree at 22023 Bucktrout Lane is located in the District. After discussion, the Board concurred that Hays Utility remove the tree.

The Board next deferred discussion regarding review of the District's rates.

The Board next considered adoption of a Resolution Acknowledging Review of Drought Contingency Plan, attached hereto. In that regard, Mr. Marks advised that pursuant to Chapter 288 of the Texas Administrative Code, the District is required to perform a review of its Drought Contingency Plan every five years. He noted that Hays Utility has reviewed the Plan and advised that no changes or revisions are required. After discussion, Director Miller moved that a Resolution Acknowledging Review of Drought Contingency Plan be adopted. Director Sherrill seconded said motion, which carried unanimously.

The Board next discussed matters relative to surface water issues and the West Harris County Regional Water Authority. In that regard, Director Gorden advised that a new web-based report filing format has been distributed.

Mr. Marks next discussed for the Board's information and approval a Voting System Annual Filing Form ("Form") from the Secretary of State's Office. He advised that pursuant to Section 123.061 of the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Form with the Secretary of State's Office. After discussion on the Form, Director Miller moved that same be approved and that DMM be authorized to prepare and file same with the Secretary of State's Office, as required by law. Director Sherrill seconded said motion, which unanimously carried.

The Board next considered the approval of destruction of notes of Board of Directors meetings from February 14, 2008, to February 12, 2009, in accordance with the Records Retention Schedule for General Records. Mr. Marks presented the attached list of records and advised that the time limitations for retention had passed for all records listed, that, to the best of his knowledge and belief, none of the records' subject matter was pertinent to a pending lawsuit, and that there were no open records requests pending with respect to any of the records. Director Sherrill, the District's Records Management Officer, requested that the Board authorize destruction of such records in accordance with the District's Records Management Program and said Schedule. After discussion, Director Miller moved that the destruction of said notes be authorized as requested in accordance with the provisions of the District's Records Management Program and said Schedule. Director Erbert seconded said motion, which unanimously carried.

The Board next concurred to hold a special meeting in the District to discuss flooding on June 24, 2009, at 5:30 p.m.

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

/s/ R. D. Sherrill

R.D. Sherrill

Secretary