

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
July 9, 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 July 9, 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
Richard Erbert, Director

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

Also present were Jim Ainsworth of A&S Engineers, Inc. ("A&S"); Don Hays and Robin Secrest of Hays Utility South Corporation ("Hays Utility"); Robin Humphrey of Wheeler & Associates, Inc.; Beulah Kelly of Myrtle Cruz, Inc.; John Betancourt of Triple B Services, L.L.P.; Terry Sidwell, Randy Lusby, Floyd Ball and David Ellis, residents of the District; and David Marks and Staci Parker of David M. Marks, P.C. ("DMM").

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

The Board first considered approval of the minutes of the Board of Directors meetings held on June 11, 2009, June 23, 2009 and June 24, 2009. After discussion of the minutes presented, Director Sherrill moved that the minutes of the meetings of June 11, 2009, June 23, 2009 and June 24, 2009 be approved, as written. Director Ornowski 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 Erbert moved that the Board approve payment on the Operating Fund Account at Compass Bank, being check nos. 4537 through 4560, inclusive, with check no. 4544 being voided, and on the Williamsburg Water Plant Account at Compass Bank, being check nos. 2819 through 2826, inclusive, as identified in said report. Director Sherrill seconded said motion, which carried unanimously. The Board next queried Ms. Kelly regarding the difference in the District's water revenue reflected in the operating report versus the amount reflected in the bookkeeping report. Ms. Kelly and Ms. Secrest noted they will work together and verify the amounts in both reports.

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 June, copies of which are attached hereto. She reported that 98.58% of the District's 2008 taxes had been collected through June 30, 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. 1799 through 1807, inclusive, as identified in said tax assessor collector's report.

Director Ornowski 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 July 9, 2009, which had been prepared by the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached hereto.

Ms. Humphrey next reported that the District's 2009 preliminary estimated taxable value is \$113,863,552 and the estimated personal property value is \$3,500,000.

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 the advertisement for bids relative to the construction of amenity improvements to the detention pond. In that regard, Mr. Ainsworth presented and reviewed the plans with the Board and stated that the plan preparation is essentially complete less the electrical for the well. He next advised that A&S is currently depicting that the surface material for the access ramps will be concrete from the top of the bank to the bottom of the pond, but that A&S is still reviewing the options for this feature. He noted that the final detention/amenity pond construction costs remain unresolved. After discussion, the Board concurred to defer taking any action on the matter at this time.

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. He noted that A&S is reviewing a change order and does not have an issue with the commercial terms of the change order but will offer comments as related to the wording for future reimbursement.

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 substantially complete and that the final inspections have been completed by the Texas Commission on Environmental Quality and Harris County Flood Control District, but that the final punch list items have not yet been completed. He stated that as reported at the May Board meeting, A&S presented Change Order No. 4 in the amount of \$57,914.10 to increase the volumes of the in-place clay liner and over-excavation for the clay liner and still remains unresolved between the contractor and developer. Mr. Betancourt next addressed the Board and discussed the scope of the change order for the project and noted that Triple B has requested payment from the developer, but that the payment of the change order is still outstanding. A discussion then followed regarding same. After discussion, the Board advised Mr. Betancourt to meet with the developer and the developer's engineer to resolve the situation.

Mr. Betancourt exited the Board meeting at this time.

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 the status of the drainage and flooding issues in the District. In that regard, Director Gorden advised the residents that the District has utilized a lot of funds to investigate the flooding issues and that the Board will continue to work with the District's engineer in connection with same. There next followed a lengthy discussion between the Board, the residents and Mr. Ainsworth regarding the investigation process. After discussion, the Board requested Mr. Ainsworth to prepare a list of solution projects with pricing for the Board's review.

The Board next considered approval of an assignment or replacement of the Utility Development Agreement and Utility Commitment Letter relative to the senior apartment project development. In that regard, Mr. Marks reported that he met with Mr. Steinweg and the developer and that the District may receive a capacity request for an additional forty (40) units. Mr. Ainsworth noted that the additional capacity request will require A&S revising the analysis. Mr. Marks noted that Mr. Steinweg indicated he would contact Mr. Ainsworth regarding the additional capacity.

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

The Board next considered a report on the regional sewage treatment plant, including the status of expansion of the wastewater treatment plant, the status of lease payments and approval of the Third Amendment to Regional Sewage Treatment Plant Contract. In that regard, Mr. Marks discussed the proposed amendment with the Board and the future expansions. After discussion, Director Ornowski made a motion to approve the Third Amendment to Regional Sewage Treatment Plant Contract and to authorize the President to execute and the Secretary to attest same on behalf of the Board and District. Director Sherrill seconded said motion, which unanimously carried.

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 concurred to defer taking any further action on the matter at this time.

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, the Board noted that there were no developers present at the Board meeting.

The Board next considered the report on the District's water, sanitary sewer and storm sewer systems for the month of June, a copy of which is attached hereto. In that regard, Mr. Hays reported that 96.02% of the water pumped during the month of June had been accounted for.

Mr. Hays 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. He noted that no appeals have been received.

Mr. Hays next reported that the wells have been running on an average of 12-13 hours per day. A discussion then followed regarding the dead end line monthly flushing. After discussion, the Board requested Hays Utility to flush dead end lines on a quarterly basis.

Mr. Hays next recommended that the Water Plant's chlorine system equipment be replaced and presented a proposal from CRI Services at a cost of \$7,100, which includes leak detection. There next followed a lengthy discussion relative to same. After discussion, Director Ornowski made a motion to approve CRI Services' proposal at a cost of \$7,100. Director Sherrill seconded said motion. With Directors Ornowski, Sherrill and Erbert voting "aye" and Director Gorden voting "no", the motion passed.

Mr. Hays next reported that the water line repair at Joshua Kendall is progressing.

A discussion then followed relative to Hays Utility's repair phone line. Director Ornowski reported that a resident contacted Hays Utility's customer service department and then was provided a long distance telephone number to report dirty water. Mr. Hays advised that there is a toll free number to report any complaints, which was set up when Hays Utility became the District's operator. Mr. Hays stated that he will send new magnets to all District residents which will reflect the toll free telephone number. Ms. Secrest noted that she would follow up with the resident in connection with same.

Mr. Hays and Ms. Secrest exited the Board meeting at this time.

The Board next concurred to defer discussion regarding the review of the District's rates.

The Board next discussed matters relative to surface water issues and the West Harris County Regional Water Authority. In that regard, Mr. Ainsworth noted that he had nothing new to report to the Board this month.

The Board next considered the request to post agendas and minutes on the Homeowners Association ("HOA") website. There next followed a discussion relative to same. After discussion, the Board concurred to authorize DMM to send agendas to the HOA prior to the Board meetings and to send the minutes to the HOA after being approved by the Board.

The Board next concurred to defer discussion relative to establishing a District website.

A discussion then followed relative to publication of director information.

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

/s/ R.D. Sherrill

R.D. Sherrill
Secretary