

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61**  
**Minutes of Meeting of Board of Directors**  
**August 13, 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 August 13, 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  
Richard Erbert, Director

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

Also present were Jim Ainsworth 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.; Donna Tietze of E.M.A. Solutions, LP; David Marks and Staci Parker of David M. Marks, P.C. ("DMM"); and Randy Lusby, Floyd Ball and David Ellis, residents of the District.

The Vice 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 meeting held on July 9, 2009. After discussion of the minutes presented, Director Sherrill moved that the minutes of the meeting of July 9, 2009 be approved, as amended. Director Ornowski seconded said motion, which unanimously carried.

Director Gorden entered the Board meeting at this time and assumed the chair.

The Board next considered comments from the public. Director Gorden advised that those in attendance could speak at this time. In that regard, Mr. Ball requested a copy of the District's financial and investments reports and requested that the Board consider deferring on the detention pond amenity package until the District's flooding issues are resolved.

The Board next considered appointment of a new director to fill the vacancy left by Director Miller. Director Ornowski noted that the District's residents have commented and have requested to be notified about any vacancies on the Board. Director Ornowski then suggested that the Board publicize the vacancy on the District's and Homeowners Association websites. After discussion, Director Ornowski made a motion to authorize DMM to prepare a letter to the residents on behalf of the Board notifying of the vacancy. After further discussion on the matter, the Board concurred to defer taking any action on the appointment of a new director until the September Board meeting.

The Board next concurred to defer acceptance of a Qualification Statement, Oath of Office, Affidavit of Current Resident and Election Not to Disclose Certain Information executed by the new director until next month's Board meeting.

The Board next concurred to defer reorganization of the Board of Directors until next month's Board meeting.

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 Ornowski moved that the Board approve payment on the Operating Fund Account at Compass Bank, being check nos. 4554 through 4582, inclusive, and on the Williamsburg Water Plant Account at Compass Bank, being check nos. 2825 through 2834, inclusive, as identified in said report. Director Sherrill seconded said motion, which carried unanimously. The Board then requested Ms. Kelly to determine why the District received a reimbursement from the West Harris County Regional Water Authority in the amount of \$5,992.50 relative to overpayment of pumpage fees and to verify that the funds received were deposited into the District's general account and not into the Water Plant account.

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 July, copies of which are attached hereto. She reported that 98.70% of the District's 2008 taxes had been collected through July 31, 2009. After review and discussion of the reports presented, Director Ornowski moved that the Board approve said report and authorize payment on the Tax Account, being check nos. 1808 through 1812, 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 August 13, 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 presented a list of uncollectible accounts and requested the Board's authorization to place the ten delinquent accounts for the tax years 2004 and 2005 on the uncollectible tax roll, a copy of which is attached hereto. She noted that all ten accounts are personal property in the total amount of \$188.14. After discussion, Director Ornowski made a motion to authorize Ms. Humphrey to place the ten delinquent accounts on the uncollectible tax roll for the total amount of \$188.14. Director Erbert seconded said motion, which unanimously carried.

The Board next reviewed the engineer's recommendations regarding drainage and flooding issues within the District. Mr. Ainsworth reported that A&S has refined its analysis of the drainage system and topography within the District and used a program to analyze each drainage area in Sections One and Two for a range of rainfall events being a 2-year, 5-year, 10-year, 25-year, 50-year and 100-year frequencies. He next reported that the analysis were for both the existing storm sewer system and a proposed drainage system modification to bring the depth of water ponding to near the current drainage criteria. He noted that A&S has also analyzed the existing storm sewer with and without the Westside Office Park detention pond. He next reviewed A&S' findings and the potential projects and cost estimates associated with each project. There next followed a lengthy discussion regarding same. The Board then concurred to hold a special Board meeting to discuss the same in further detail. After discussion on the matter, Director Sherrill made a motion to schedule a special Board meeting to be held on August 19, 2009, at 10:00 a.m. at the District's attorneys office. Director Ornowski seconded said motion, which unanimously carried.

The Board next scheduled the regular September Board meeting to be held on Tuesday, September 8, 2009, at 11:30 a.m.

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. 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 next presented the Board with Application for Payment Nos. 8 and 9 in the amounts of \$1,367.00 and \$2,275.00, respectively, and recommended payment of same to Storm Water Solutions, by the developer. Copies of said Pay Applications are attached to the Engineer's Report. After discussion on the matter, Director Ornowski made a motion that the Board concur in payment of Application for Payment Nos. 8 and 9 in the amounts of \$1,367.00 and \$2,275.00, respectively, to Storm Water Solutions, by the developer, as set out above. Director Sherrill seconded said motion, which unanimously carried.

With regard to the status of the contract with Triple B Services, LLP for detention and outfall facilities to serve the Westside Office Park, Mr. Ainsworth reported that the project is complete and that the final inspections have been completed by the Texas Commission on Environmental Quality and the Harris County Flood Control District. Mr. Ainsworth next presented the Board with Application for Payment Nos. 10 and 11 in the amounts of \$325.00 and \$325.00, respectively, and recommended payment of same to Storm Water Solutions, by the developer. Copies of said Pay Applications are attached to the Engineer's Report. After discussion on the matter, Director Ornowski made a motion that the Board concur in payment of Application for Payment Nos. 10 and 11 in the amounts of \$325.00 and \$325.00, respectively, to Storm Water Solutions, by the developer, as set out above. Director Sherrill seconded said motion, which unanimously carried.

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

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 compliance with wastewater discharge permit. In that regard, Ms. Kelly noted that the expansion project is 96% complete and that the lease payment contracts are still in effect and lease payments are being received. Mr. Marks noted that the District's facilities are in compliance relative to the wastewater discharge permit.

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 the senior living project has been deferred for at least one year.

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 July, a copy of which is attached hereto. In that regard, Ms. Secrest reported that 96.21% of the water pumped during the month of July had been accounted for.

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 the on-line bill paying is operational and that the water line repair at Joshua Kendall has been completed.

Ms. Secrest noted that the new magnets were sent to all District residents reflecting the toll free telephone number.

Ms. Secrest next reported that the Water Plant's chlorine system equipment had been installed and that the dead end line flushing will be performed on a quarterly basis.

Director Ornowski next requested Hays Utility to perform a well test on water well no. 1.

The Board next considered the review of the District's rates. In that regard, Director Ornowski reviewed a Rate Change Scenario Worksheet with the Board, a copy of which is attached hereto. There next followed a discussion relative to same. Director Ornowski stated that he would revise the proposed rate increases per the discussion and would email each director a copy for review prior to Board consideration at the next meeting. After discussion, the Board concurred to defer taking any action on the matter at this time.

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.

A discussion then followed relative to establishing a District website. In that regard, Mr. Lusby reported on same and reviewed an information packet he had compiled together detailing various web hosting companies and pricing associated with the same, a copy of which is attached hereto. A discussion then followed. After discussion, Director Sherrill made a motion to authorize Mr. Lusby to set up an initial \$5.00 website by the next Board meeting. Director Erbert seconded said motion, which unanimously carried.

The Board next considered matters for possible placement on future agendas. Mr. Marks noted that he would place an item regarding the amendment of the District's Strategic Partnership Agreement with the City of Houston on the August 19, 2009, agenda for the Board's consideration.

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

/s/ R. D. Sherrill

R.D. Sherrill

Secretary

**HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61**  
**Minutes of Meeting of Board of Directors**  
**August 19, 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 August 19, 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  
Richard Erbert, Director

and all of said persons were present, except Director Gorden, thus constituting a quorum. Director Gorden participated in the Board of Directors meeting by telephone conference.

Also present were Jim Ainsworth, Hui Fong Chang and Nawaraj Panthi of A&S Engineers, Inc. ("A&S"); David Marks and Staci Parker of David M. Marks, P.C. ("DMM"); and Randy Lusby and Floyd Ball, residents of the District.

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

The Board first reviewed the engineer's recommendations regarding the drainage and flooding issues in the District. In that regard, Mr. Chang reviewed a PowerPoint presentation with the Board and residents detailing A&S' findings relative to the flooding within the District for Sections One and Two, a copy of which is attached hereto. Mr. Chang reviewed the proposed drainage improvements and cost estimates for Section One, including: Item 1) 10 year storm protection plan – the District will need 36" sewer relief pipe at Bucktrout to get ponding under 1' at a cost of \$492,000; Item 2) 25 year storm protection plan – the District will need 48" sewer relief pipe at Bucktrout at a cost of \$564,000; Item 2A) to add 72" outfall at a cost of \$592,000; Item 3) 50 year storm protection plan – the District will need 60" sewer relief pipe at Bucktrout at a cost of \$617,000; Item 4) 100 year storm protection plan – the District will need 72" sewer relief pipe at Bucktrout at a cost of \$705,000, (does not meet criteria); Item 5) 100 year storm protection plan – the District will need 48" sewer line on Carter's Grove at a cost of \$1,237,000 (to meet criteria); and Item 6) full protection plan for Section One at a cost of \$1,910,000. Mr. Chang next reviewed the proposed drainage improvements and cost estimates for Section Two, including: Item 7) 25 year storm protection plan at a cost of \$752,000; Item 8) 50 year storm protection plan at a cost of \$1,320,000 and Item 9) 100 year storm protection plan at a cost of \$2,770,000.

Mr. Chang next recommended that the best solution for the District is to perform the Section One project for a 25 year storm with 48" sewer relief pipe plus 72" outfall at Bucktrout at a cost of \$592,000. A lengthy discussion then followed regarding same. Director Ornowski noted that the study was initially undertaken to determine whether the detention pond was the cause of the flooding in April and A&S has confirmed that the pond was not responsible. After discussion, Director Ornowski made a motion to authorize A&S to prepare a letter to Commissioner Raddick requesting improvements to the subdivision entrance to stop water on

Mason Road from overflowing into the subdivision. Director Sherrill seconded said motion, which unanimously carried.

Director Ornowski next made a motion that, subject to finding the funds for the project, the District would support the construction of the 48" sewer relief line at Bucktrout at a cost of \$564,000. Director Erbert seconded said motion, which unanimously carried.

There next followed a lengthy discussion relative to the District's financing options to perform the drainage improvements within the District, with no conclusions having been reached by the Board. After discussion on the matter, the Board concurred to schedule a special Board meeting with the community to be held on September 8, 2009, at 7:00 p.m. at 1702 Hoyt Lane (the clubhouse) to review the drainage and flooding issues and findings of the engineer and financing options associated with same.

A discussion then followed regarding the amendment to the Strategic Partnership Agreement with the City of Houston. In that regard, Mr. Marks noted that the City contacted him regarding the timeframe to proceed with the amendment and noted that A&S will submit a map reflecting the District's proposed new commercial development to be added into the agreement. After discussion, Director Sherrill made a motion to authorize DMM to begin the Strategic Partnership Agreement amendment process with the City of Houston. Director Erbert seconded said motion, which unanimously carried.

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

/s/ R. D. Sherrill

R.D. Sherrill

Secretary