

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
December 10, 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 December 10, 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, Assistant Secretary
W.R. Lusby, Director

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

Also present were Bill Baird of A&S Engineers, Inc. ("A&S"); Robin Secrest of Hays Utility South Corporation; Sara Ahlschlager 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 Floyd Ball and Wheeler BeMent, residents of the District.

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 November 5, 2009, and November 12, 2009. After discussion of the minutes presented, Director Sherrill moved that the minutes of the meetings of November 5, 2009, be approved, as written. Director Erbert seconded said motion, which unanimously carried. After further discussion of the minutes presented, Director Sherrill moved that the minutes of the meeting of November 12, 2009, be approved, as written. Director Ornowski seconded said motion, which unanimously carried.

The Board next considered comments from the public. Mr. Marks reported that correspondence was received this morning from Mr. Ball requesting various questions to be addressed at the Board meeting by Mr. Marks, a copy of which is attached hereto. At the request of the President, Mr. Marks responded to Mr. Ball's questions. Mr. BeMent next queried the Board regarding the cost per page to charge for copying District documents requested in an open records request. The Board stated a charge will be applied for open records requests if copying involves over 50 pages of documents.

The Board next considered the financial and investment reports and invoices presented for payment. In that regard, Ms. Kelly distributed the attached bookkeeping reports, investment inventory reports, 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. 4627 through 4649, inclusive, and on the Williamsburg Water Plant Account at Compass Bank, being check nos. 2857 through 2865, inclusive, as identified in said reports. Director Lusby seconded said motion, which carried unanimously.

The Board next considered the status of collection of taxes. In that regard, Ms. Ahlschlager presented a report and the delinquent tax roll for the month of November, a copy of which is attached hereto. She reported that 3.34% of the District's 2009 taxes had been collected and that 98.83% of the District's 2008 taxes had been collected through November 30, 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. 1830 through 1834, inclusive, and one wire transfer, 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. Ahlschlager next presented for the Board's review and information a written report dated December 10, 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 to the tax assessor-collector's report.

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. Baird presented a report and related correspondence relative to same, copies of which are attached hereto.

The Board next considered approval of plans and authorize the advertisement for bids relative to the construction of amenity improvements to the detention pond site. In that regard, Mr. Baird reviewed a proposal received from Clark-Condon relative to the design of the landscaping of the detention pond. He stated that the total cost to design the project and to manage the overall project is \$16,100. A lengthy discussion then followed. After discussion, the Board requested Mr. Baird to obtain a second proposal for the Board's consideration. Mr. Baird next reported that A&S obtained proposals from Champions Hydro-Lawn to maintain the detention pond and Lake Management Services to maintain the water feature in the detention pond. Mr. Marks next discussed the status of completion of the detention pond and preparation of the deed and conveyance documents in connection therewith. Mr. Baird next reviewed a Memo, prepared by A&S, regarding an Opinion of Costs and stated that Phase I of the detention pond project is estimated to cost \$140,970.00, a copy of which is attached hereto. There next followed a discussion regarding the proposed fountains and the total costs associated with same. After further discussion on the matter, Director Sherrill made a motion to authorize A&S to advertise for bids relative to Phase 1 of the construction of amenity improvements of the detention pond project, except the purchase and installation of trees to plant in the bottom and around the top of the detention pond facility. Director Ornowski seconded said motion, which unanimously carried.

Mr. Baird next reported that there has been four-wheeler activity around the detention pond site and recommended that the Board post "No Trespassing" signage around the facility to prohibit four-wheelers and dirt bikes from damaging the slopes and turf establishment. After discussion, the Board concurred with Mr. Baird's recommendation and requested Ms. Secret to provide proposals of a variety of "No Trespassing" signage for the Board's consideration at the January meeting.

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. Baird reported that the Harris County as-built inspection was conducted on September 22, 2009, and that the developer's engineer has not forwarded any pay estimates for the period.

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. Baird reported that the developer's engineer has issued the Engineer's Certificate of Completion for the contract, that the project is in the one-year warranty period and recommended that the Board concur with the Certificate of Completion. After discussion, Director Sherrill made a motion to accept the project as complete. Director Ornowski seconded said motion, which unanimously carried.

The Board next considered acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District, including acceptance of Special Warranty Deed and Conveyance of Utility Facilities relative to the detention pond. Mr. Marks stated that the executed conveyance documents were received from Mr. Waller and ready for Board acceptance. After discussion on the matter, Director Sherrill made a motion to accept the Special Warranty Deed and Conveyance of Utility Facilities relative to the detention pond and that the President be authorized to execute and the Secretary to attest to same on behalf of the Board and District. Director Ornowski seconded said motion, which unanimously carried.

The Board next considered the status of request to Harris County Precinct 3 to make drainage modifications to Mason Road in connection with the storm water flow into the District. Mr. Baird reported that A&S has not had any additional communications with Precinct 3 and requested the Board's direction relative to same. Ms. Secrest noted that the survey relating to the drainage improvements was sent to the District's residents for completion. After discussion, Director Ornowski made a motion to authorize A&S to prepare correspondence to Mr. Schilhab of Precinct 3 notifying that the Board is currently working on a response.

Mr. BeMent exited the Board meeting at this time.

The Board next concurred to defer approval of proposed Service Contract between Champions Hydro-Lawn, Inc. and the District relative to maintenance of the detention pond site until next month's Board meeting.

The Board next concurred to defer approval of proposal of Lake Management Services, L.P. relative to maintenance of the water feature in the detention pond until next month's Board meeting.

The Board next considered the status of the resident survey relating to possible drainage improvements. Ms. Secrest reported that responses are due by December 18, 2009, and that 41 responses have been received to date, including 15 residents being in favor of moving forward with the costs of the drainage improvements and 26 residents not being in favor of the drainage modifications.

The Board next considered a report on shared facilities to be constructed to serve the Westside Office Park. In that regard, Mr. Baird reported that A&S is working with the engineer for Harris County Municipal Utility District No. 62 ("No. 62") reviewing the exhibits received from No. 62's attorney and concur with the pro-rata share of the costs between the District and No. 62.

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 the wastewater discharge permit. In that regard, Director Gorden reported that there was no meeting held in November, but will meet again in December. He stated that a walk-thru inspection will be held soon, that the lease payments are current and that the District is in compliance with 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., including adoption of Order Adding Land, approval and execution of Fourth Amended and Restated District Information Form with Map Attached, approval of Declaration of Covenants, Conditions and Restrictions and approval and execution of Waiver Agreement. Mr. Marks reported that the annexation application is currently pending with the City of Houston. After discussion, the Board concurred to defer taking any action on the matter at this time.

The Board next considered the issuance of utility commitments. In that regard, Mr. Baird 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 December, a copy of which is attached hereto. In that regard, Ms. Secrest reported that 88.74% of the water pumped during the month of November had been accounted for.

Ms. Tietze exited the Board meeting at this time.

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.

A discussion then followed regarding the District's low water accountability. Ms. Secrest noted that the well meter was off line for repair for four (4) days and that water leaks occurred at the water plant during the past month.

Ms. Secrest next reported that the south ground storage tank has water leaks that need to be addressed and recommended to authorize inspection of the tank after the holidays. A discussion then followed. After discussion, Director Ornowski made a motion to authorize an inspection of the ground storage tank before the holidays by Swain or another expert inspection contractor so that necessary action can be taken regarding the repairs at the January Board meeting and, if necessary, to schedule a special Board meeting to review the inspection. Director Lusby seconded said motion, which unanimously carried.

Ms. Secrest noted that she will schedule a facility tour to be held in January.

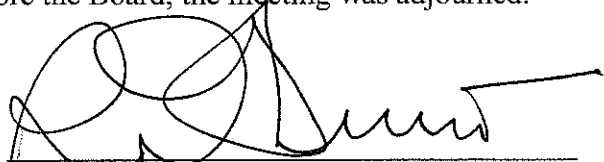
Ms. Secrest next reported that the water plant's air compressor was replaced during the past month.

Director Ornowski next distributed a Maintenance Schedule of Facilities and reviewed the same with the Board, a copy of which is attached hereto. There next followed a lengthy discussion. Director Ornowski next requested that an item be placed on the January agenda relative to obtaining a proposal for preparation of an Asset Management Plan for the Board's consideration.

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

A discussion then followed relative to posting documents on the District's website and possible purchase of additional website space, if necessary. Director Lusby distributed a sample of web content, a copy of which is attached hereto, and recommended that the Board purchase an additional 1 GB of website space at a cost of \$24.00 per year. After discussion, Director Ornowski made a motion to approve the purchase of 1 GB of website space at a cost of \$24.00 per year. Director Sherrill seconded said motion, which unanimously carried. There next followed a discussion regarding the District's current website content and what additional District information to post on the website. After further discussion on the matter, Director Ornowski made a motion to approve Director Lusby to post the District's Rate Order and Drought Contingency Plan on the District's website. Director Sherrill seconded said motion, which unanimously carried.

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



R.D. Sherrill
Secretary