

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 61
Minutes of Meeting of Board of Directors
December 20, 2011

The Board of Directors of Harris County Municipal Utility District No. 61 met at the Williamsburg Settlement Clubhouse, 1602 Hoyt Lane, Katy, Harris County, Texas 77449, on December 20, 2011, 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
R.D. Sherrill, Vice-President
W.R. Lusby, Secretary
Richard Erbert, Assistant Secretary
Billy Lowery, Director

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

Also present were Jim Ainsworth of A&S Engineers, Inc. ("A&S"); Don Hays of Hays Utility South Corporation ("Hays Utility"); Cindy Englebert of Wheeler & Associates, Inc. ("W&A"); Beulah Kelly of Myrtle Cruz, Inc. ("MCI"); David Marks of Marks Richardson PC ("MRPC"); and Floyd Ball, and Bill and Loretta Evans, residents of the District.

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

As the first order of business, the Board considered comments from members of the public. In that regard, Ms. Evans addressed the Board and presented a yellowish colored water sample, and suggested that the District test to make sure adequate chemicals are being used to keep iron in suspension. She also presented a three week old spent filter that she asserted should have lasted three months.

Mr. Ball next addressed the Board and showed a discolored white towel that was used as a hose filter when he filled the community pool and noted that the discoloration could be due to iron in the pipes.

Mr. Hays next addressed the Board and advised that he will test for sufficiency, but noted that the system has not been flushed in over two years and consequently there is probably a buildup of iron in the distribution system.

As the next order of business, the Board considered approval of the minutes of the Board of Directors meeting held on November 22, 2011. After discussion of the minutes presented, Director Sherrill moved that the minutes of the meeting of November 22, 2011, be approved, as revised. Director Lusby 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 reports, investment inventory reports and bills for payment. After review and discussion of the reports presented, Director Lowery moved that the Board approve payment on the General Operating Account at Compass Bank, being check nos. 5071, and 5086 through 5110, inclusive, and on the Williamsburg Water Plant General Operating Account at Compass Bank, being check nos. 3017

through 3024, inclusive, as identified in said reports. Director Erbert seconded said motion, which carried unanimously.

The Board next considered the status of collection of taxes. In that regard, Ms. Englebert presented a report and the delinquent tax roll for the month of November, a copy of which is attached hereto. She reported that 98.43% of the District's 2010 taxes, and 5.37% of the District's 2011 taxes had been collected through November 30, 2011. After review and discussion of the reports presented, Director Lusby moved that the Board approve said report and authorize payment on the Tax Account, being check nos. 2003 through 2007, inclusive, as identified in said tax assessor collector's report. Director Lowery seconded said motion, which carried unanimously.

There was next a discussion regarding the status of the District's delinquent tax accounts. Ms. Englebert presented for the Board's review and information a written report dated December 20, 2011, 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. Englebert noted that relative to the William Burns account, payment was applied to principal with no action to collect penalty and interest. The Board concurred to continue to carry the balance on the District's books, but take no further action on collection.

The Board next considered the status of the issuance of the District's \$2,970,000 Unlimited Tax Bonds, Series 2012. In that regard, Mr. Marks advised that the financial advisor has made application for rating of the bonds.

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 relative to same, a copy of which is attached hereto.

The Board next deferred consideration of approval of the plans and specifications for rehabilitation of the District's sanitary sewer system.

The Board next considered the status of contract with Monarch Civil Constructors, LLC for the extension of District facilities to serve the StoneArch development. In connection therewith, Mr. Ainsworth reported that he is waiting on power to the lift station to make a final inspection. He noted that the owners are no longer interested in maintaining the pond as an amenity.

The Board next deferred the acceptance of site and/or easement conveyances for facilities constructed or to be constructed for the District.

The Board next considered requests for issuance of utility commitments. In that regard, Mr. Ainsworth reported that with respect to the Franz family request, they are still working with the City of Houston regarding platting.

The Board next considered the report on the regional sewage treatment plant, including compliance with the wastewater discharge permit. In that regard, Director BeMent advised that the meeting is tomorrow and everything is working fine.

The Board next considered reports regarding the status of development of property within the District. In that regard, Mr. Ainsworth reported that the SafeKick building is complete and occupied. He also noted that Interfin advised that they expect to close on the 10.5 acre Mason Road tract by the end of December, and he has nothing new to report with respect to the Trammel Crow building.

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, Mr. Hays next reported that 91.77% of the water pumped during the month of November had been accounted for, that all bacteria samples were negative and that the District's facilities had been operated in compliance with their respective permits during the month.

Mr. Hays next reported relative to the valves affecting the Mini Mart being fed by Harris County MUD No. 62 and noted that it occurred as a result of the way the valves were closed. He noted that this resulted in the District being cut off and can be resolved by switching the two valves. The Board concurred that it should switch the two valves to remedy the situation.

In connection with the status of the ground storage tank, Mr. Hays reported that the status is unchanged.

Mr. Hays next reported that he will repair the interconnect valve with 71 and fence as it has been struck by ants.

The Board deferred consideration of review of a proposal relative to replacement of mechanical packings at Water Pant. The Board requested that this item be removed from the agenda.

The Board next considered a report on meeting with representatives of No. 62 and both district's operators to develop policies and procedures for maintaining high water accountability in connection with opening the two distribution systems. It was noted that this item has been put on hold until February 2012.

The Board next considered the status of surface water issues and the West Harris County Regional Water Authority ("WHCRWA"). In connection therewith, Mr. Marks reported that he received correspondence dated November 30, 2011, regarding WHCRWA Forms and Questionnaire, a copy of which is attached hereto. Mr. Hays advised that he would complete forms and questionnaire on behalf of the District.

A discussion then followed regarding items to be placed in the quarterly District newsletter. In that regard, Mr. Hays advised that he will add a District bulletin Board page to his website.

The Board next considered matters for possible placement on future agendas.

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

W.R. Lusby
Secretary

ATTACHMENTS TO MINUTES OF BOARD OF DIRECTORS
MEETING OF DECEMBER 20, 2011

1. Sign in Sheet
2. Bookkeeping Report
3. Tax Assessor/Collector Report
4. Delinquent Tax Report
5. Engineer's Report with related correspondence
6. Operations Report with related correspondence
7. Correspondence from WHCRWA dated 11/30/11
8. Memo from WHCRWA dated 12/15/11