

MINUTES OF REGULAR MEETING  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 62  
HARRIS COUNTY, TEXAS

January 14, 2011

THE STATE OF TEXAS           §

COUNTY OF HARRIS           §

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 62 (the "District") of Harris County, Texas, met in regular session, open to the public, on the 14<sup>th</sup> day of January 2011, at the residence of Director Vince Zinnante, 22534 Vobe Court, Katy, Texas, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Vince Zinnante	President
S. J. Doehring, III	Vice President
Candace Jones	Secretary
Dan Janik	Assistant Secretary
Kay Stephenson	Director

All Directors were present, except Director Doehring, thus constituting a quorum.

Also present were Ms. Sara Ahlschlager of Wheeler & Associates, the District's Tax Assessor/Collector; Mr. Roger Van Horn of Advantage Water Management, the District's Operators; Mr. Jared Bowlin, P.E. of Edminster, Hinshaw, Russ & Associates, the District's Engineers; Mr. Wheeler Bement, representing Harris County Municipal Utility District No. 61; and Mr. John R. Wallace of Bacon & Wallace, L.L.P., the District's Attorneys.

WHEREUPON, following a notation that notices of the meeting had been duly posted in accordance with law, copies of which are attached hereto as exhibits, the meeting was called to order.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors of December 10, 2010 were presented for review and approval. The Board requested that certain corrections be made to the minutes. Upon motion duly made and seconded, the Board voted unanimously to approve such minutes, as amended.

## TAX ASSESSOR/COLLECTOR'S REPORT

Sara Ahlschlager presented the Tax Assessor/Collector's report, a copy of which is attached hereto as an exhibit. Ms. Ahlschlager reported that the District had collected 49% of the 2010 tax levy. She reported that Tax Fund transfers were made to the Operating Fund and the Debt Service Fund, which are shown on her report. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's report as presented, and payment of the checks listed thereon.

## BOOKKEEPER'S REPORT

Mr. Wallace reviewed the Bookkeeper's report with the Board, prepared by Myrtle Cruz, Inc., the District's Bookkeeper, a copy of which is attached hereto as an exhibit. The Board next reviewed a budget comparison for the District, a copy of which is attached hereto as an exhibit. The Board noted that certain facility repairs were higher than budgeted. Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's report, and payment of the checks listed thereon.

## OPERATOR'S REPORT

Roger Van Horn presented the Operator's report, a copy of which is attached hereto as an exhibit. Mr. Van Horn reported that the District's water accountability rate is in decline again, at 80% for the previous month. He reported meeting with Don Hays, the operator for Harris County Municipal Utility District No. 61 ("MUD No. 61") prior to temporarily closing the interconnect with MUD No. 61 and only utilizing the interconnect with Harris County Municipal Utility District No. 63 ("MUD No. 63"). Mr. Van Horn reported that the water meter at MUD No. 63 was reversed in order to obtain an accurate reading and there was a small charge for materials and labor. Mr. Van Horn offered to absorb the cost of the labor on behalf of the District. He next reported that the meter was then calibrated and unclogged and a bad check valve was removed. Mr. Van Horn reported that the interconnect with MUD No. 61 was then closed, and the water pressure increased when switched to MUD No. 63. He said that MUD No. 61 experienced water outage problems due to the valves being closed. Mr. Van Horn next reported that the water pressure tested well at Pope John XXIII School and some flushing was performed, and there were no customer complaints. He then reported that the Conoco station and the strip center are tied into the District's system and the Operators are coordinating with Hays Utility South Corporation to read the meters, which was performed today. Mr. Van Horn said that the main switchover will be performed next Monday and the meter read dates will be moved to the 17<sup>th</sup>. Mr. Van Horn reported that there are four unmetered interconnects with MUD No. 63. He reported that the lines serving vacant land at Crutchfield has been valved off and the meter registered no flow, which means there are no water leaks in this area. He also reported that all of the fire hydrants and lines are operational. Mr. Van Horn next reported that he contacted the fire department, but has not yet spoken to a representative regarding the coordination of installing a temporary meter. Director Zinnante said that he will contact the fire department and set up a contact with Mr. Van Horn.

Wheeler Bement stated his approval of the meter between the District and MUD No. 63. Mr. Van Horn reported that there are potential water quality problems in the cul-de-sac areas which will need to be monitored. He noted that any additional flushing could be metered. Mr. Bement said that he will confer with Mr. Hays about this matter.

Mr. Van Horn said that he compiled a summary of average use of all of the District's residential and commercial accounts, which showed a residential average of 2,600 gallons of water per month, and a commercial average of 37,700. He noted that the two schools in the District average about 567,000 gallons per month. The Board requested that a breakdown of the schools' water usage be performed. Mr. Van Horn noted that the schools use a large amount of irrigation water. He next reported that two stuck meters were replaced last month.

Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's report as presented.

#### ENGINEER'S REPORT

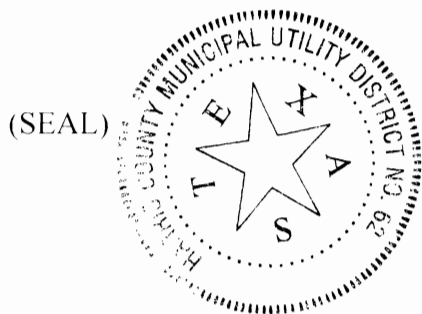
Jared Bowlin presented the Engineer's report, a copy of which is attached hereto as an exhibit. Mr. Bowlin first reported that the Grand Park – Partnership Way utilities and the Grand Park detention pond are substantially complete. He next reported that a mandatory Harris County Public Infrastructure Department financial surety inspection has been scheduled for February 4, 2011 for the Westside Office Park, Section 1. Mr. Bowlin reported that the Pope John XXIII expansion is moving forward in phases and the plans have been received. Mr. Bowlin reported that the Kickerillo project has been placed on hold and might require a new utility commitment, along with the V & S Colonial Parkway project. He reported that the District's Emergency Preparedness Plan was sent to the Texas Commission on Environmental Quality on September 27, 2010 and is under review. Mr. Bowlin then reported that all operational matters with regard to the Williamsburg Regional Sewage Treatment Plant are fine.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's report as presented.

#### WILLIAMSBURG REGIONAL SEWAGE AUTHORITY REPORT

Director Zinnante reported that recoating of the wet well at the plant is underway, the bypass line has been installed, and the repairs are complete. He noted that certain debris has been removed from the basins but they are still experiencing problems with excess foam.

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



  
Secretary, Board of Directors

MINUTES OF REGULAR MEETING  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 62  
HARRIS COUNTY, TEXAS

February 11, 2011

THE STATE OF TEXAS           §

COUNTY OF HARRIS           §

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 62 (the "District") of Harris County, Texas, met in regular session, open to the public, on the 11<sup>th</sup> day of February 2011, at the residence of Director Vince Zinnante, 22534 Vobe Court, Katy, Texas, inside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Vince Zinnante	President
S. J. Doehring, III	Vice President
Candace Jones	Secretary
Dan Janik	Assistant Secretary
Kay Stephenson	Director

All Directors were present, thus constituting a quorum.

Also present were Ms. Sara Ahlschlager of Wheeler & Associates, the District's Tax Assessor/Collector; Mr. Roger Van Horn of Advantage Water Management, the District's Operators; Mr. Jared Bowlin, P.E. of Edminster, Hinshaw, Russ & Associates, the District's Engineers; Mr. Tom McQuilling of Kickerillo Companies, a developer in the District; and Mr. John R. Wallace of Bacon & Wallace, L.L.P., the District's Attorneys.

WHEREUPON, following a notation that notices of the meeting had been duly posted in accordance with law, copies of which are attached hereto as exhibits, the meeting was called to order.

PUBLIC COMMENTS

There were no public comments.

APPROVAL OF MINUTES

Minutes for the meeting of the Board of Directors of January 14, 2011 were presented for review and approval. The Board requested that certain corrections be made to the minutes. Upon motion duly made and seconded, the Board voted unanimously to approve such minutes, as amended.

## TAX ASSESSOR/COLLECTOR'S REPORT

Sara Ahlschlager presented the Tax Assessor/Collector's report, a copy of which is attached hereto as an exhibit. Ms. Ahlschlager reported that the District had collected 97.1% of the 2010 tax levy. Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's report as presented, and payment of the checks listed thereon.

## TAX RESOLUTIONS

The Board reviewed a Resolution Concerning Exemptions From Taxation for the 2011 Tax Year, including a \$10,000 exemption for individuals who are disabled and/or 65 years of age or older and no general residential homestead exemption. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution as presented. A copy of the Resolution is attached hereto as an exhibit.

The Board then reviewed a Resolution Implementing 20% Penalty on 2010 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes. Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution as presented. A copy of the Resolution is attached hereto as an exhibit.

## BOOKKEEPER'S REPORT

Mr. Wallace reviewed the Bookkeeper's report with the Board, prepared by Myrtle Cruz, Inc., the District's Bookkeepers, a copy of which is attached hereto as an exhibit. The Board noted that the District's next bond payment is due on March 1, 2011. The Board questioned whether the Williamsburg Water Plant shown on the report is for Harris County Municipal Utility District No. 61 ("MUD No. 61") or Harris County Municipal Utility District No. 63 ("MUD No. 63"). The Board next reviewed the year-to-date budget, a copy of which is attached hereto as an exhibit. The Board next questioned why the sewer revenue is much higher than budgeted. Director Janik also questioned the discrepancies between the 2009 and 2010 expenses noting the increase in the line item for "administrative and other" from approximately \$33,000 to \$69,000. It was noted that this increase might have been related to Simon Properties. Upon motion duly made and seconded, the Board voted unanimously to approve the Bookkeeper's report, and payment of the checks listed thereon.

## 2010 AUDIT REPORT

The Board determined to table consideration of the audit report until a later date.

## OPERATOR'S REPORT

Roger Van Horn presented the Operator's report, a copy of which is attached hereto as an exhibit. Mr. Van Horn reported that switching of the interconnect to MUD No. 63 did not go as planned due MUD No. 63's operator turning off the interconnect and not informing the District's

Operators. Mr. Van Horn reported that MUD No. 63 read their water meters and never called the District's Operators to inform them of the read date.

Director Zinnante reported that MUD No. 61's board members were unhappy about these events. Mr. Van Horn reported that the interconnect closure caused a dirty water problem. Mr. Van Horn said he informed MUD No. 61's operator that any water flushing would be charged to them. He noted that another problem occurred due to the interconnect closure of a water hammer on two residences, which has been resolved. Mr. Van Horn said that the Operators have not received any water quality calls since the interconnect was switched. He reported that an interconnect reading of 1.7 million gallons of water was measured which is on track for normal January usage. Mr. Van Horn said that no other figures have been calculated yet but will be available after the meters are read this month.

Director Janik reported that an article was published in the homeowners association newsletter, which was published on the internet, regarding the District's water accountability problems. Director Doehring asked that the Operators document all of the activity to date regarding this matter. Mr. Van Horn said that he plans to speak with fire department personnel about filling their trucks from the hydrants relating to the accountability problems.

Mr. Van Horn next reported that a concrete plant working on an overpass in the area drilled a small water well instead of obtaining a temporary meter from MUD No. 63. He noted that certain hydrants appear to have been used due to scratched paint and the caps being removed. Mr. Van Horn reported that three stuck meters were replaced this month. Upon motion duly made and seconded, the Board voted unanimously to approve the Operator's report as presented.

#### ENGINEER'S REPORT

Jared Bowlin presented the Engineer's report, a copy of which is attached hereto as an exhibit. Mr. Bowlin reported that the Grand Park – Partnership Way utilities and the Grand Park detention pond are substantially complete. He then reported that the mandatory Harris County Public Infrastructure Department financial surety inspection was performed on February 4, 2011 for the Westside Office Park, Section 1. He reported that the inspection yielded deficiencies which will be addressed in the near future and a re-inspection will be scheduled.

Mr. Bowlin reported that the plans for the Pope John XXIII School expansion have been received and minor comments made including one about the unmetered fire line. Following discussion, upon motion duly made and seconded, the Board voted unanimously to authorize the Engineers to move forward with a "No Objection" letter on the Pope John XXIII School expansion.

Mr. Bowlin then reported that the Williamsburg Regional Sewage Treatment Plant (the "Plant") operated within permit compliance during the previous month.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's report as presented.

KICKERILLO COMPANY DEVELOPMENT

Tom McQuilling addressed the Board regarding Kickerillo Company's ("Kickerillo") proposed development, Grandeur Park, in the District. Mr. McQuilling stated that Kickerillo's engineers, Brown & Gay Engineers, Inc., have been authorized to renew the preliminary plat for the proposed development in the hopes that the local economy improves. He said that the Simon Properties and Grand Parkway projects are on hold. He then requested one-year renewals of the capacity commitments from the District for the 55.427-acre tract owned by Kickerillo and the 14.392-acre tract owned by V & S Colonial Parkway. Mr. McQuilling noted that the developer partners are still committed to these developments. He noted that Kickerillo has sold off most of its other land and stated that the Sueba USA project is scheduled to commence in about 18 months. Mr. McQuilling reported that the Grand Parkway project may move forward as a toll road. Following review, upon motion duly made and seconded, the Board voted unanimously to renew the utility commitments for one year, as requested.

WILLIAMSBURG REGIONAL SEWAGE AUTHORITY REPORT

Director Zinnante reported that the Authority continues to meet on a monthly basis and there are continued problems with the blower motors at the Plant. He reported that JTR has been placed on notice before the one-year warranty on the generator expires. Director Zinnante next reported that a walk-through of the Plant will be scheduled for April 2011.

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

  
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Secretary, Board of Directors

(SEAL)

