

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153
October 17, 2007

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153

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The Board of Directors (the "Board") of Harris County Municipal Utility District No. 153 (the "District") met in regular session, open to the public at Fulbright & Jaworski L.L.P., 1301 McKinney, Houston, Texas 77010, at 11:30 a.m. Wednesday, October 17, 2007, whereupon the roll was called of the members of the Board, to-wit:

Jim Davis, President
Rick Soliz, Vice President
William Clarey, Secretary
Richard DeYoung, Treasurer
Sam Claytor, Jr., Assistant Secretary

All members of the Board were present, except Director Claytor. Also attending all or portions of the meeting were Mr. Gary Hastings of Aqua Services, L.P., operator for the District; Mr. Sam Zabaneh and Ms. Amy Zapletal of Brown & Gay Engineers, Inc. ("BGE"), engineers for the District; Mr. Charlie LaConti of Municipal Accounts and Consulting, L.P. ("MA&C"), bookkeeper for the District; Mr. Bob Leared of Bob Leared Interests, tax assessor-collector for the District; Mr. David Borengasser of Montgomery and Associates, engineer for W.Y. Atlantis; Ms. Linda Loup of Southwest Securities, financial advisor for the District; and Mr. Oliver Pennington and Ms. Yvette Deitrick of Fulbright & Jaworski L.L.P. ("F&J"), attorneys for the District.

The meeting was called to order and, in accordance with notice posted pursuant to law, copies of certificates of posting of which are attached hereto as Exhibit "A," the following business was transacted:

1. **Minutes of the meeting of September 19, 2007.** Minutes of the meeting of September 19, 2007, previously distributed to the Board, were presented for consideration and approval. Upon motion by Director Clarey, seconded by Director DeYoung, after full discussion and the question being put to the Board, the Board voted unanimously to approve such minutes, as presented.
2. **Public Comments.** There were no public comments.
3. **Convene Public Hearing on Proposed Tax Rate for 2007.** The President convened the public hearing on the proposed tax rate for 2007. There were no residents of the District in attendance.

4. **Adopt Order Setting Tax Rate and Levying Tax for 2007.** The President recognized Mr. Pennington, who presented to and reviewed with the Board the Order Setting Tax Rate and Levying Tax for 2007, a copy of which is attached hereto as Exhibit "B." Mr. Leared reported that the hearing on the proposed tax rate was published. Mr. Pennington informed the Board this order authorizes the District to levy the tax for 2007.

Upon motion by Director DeYoung, seconded by Director Clarey, after full discussion and the question being put to the Board, the Board voted unanimously to Adopt the Order Setting Tax Rate and Levying Tax for 2007 with a total tax rate of \$0.45 per \$100 assessed valuation, including a rate of \$0.4014 for debt service and \$0.0486 for operation and maintenance expenses.

5. **Tax Assessor and Collector's Report, status of delinquent tax accounts, and payment of bills.** The President recognized Mr. Leared, who presented to and reviewed with the Board the Tax Assessor-Collector's Report for September, a copy of which is attached hereto as Exhibit "C." Mr. Leared noted that 97% of the District's 2006 taxes have been collected as of September 20, 2007.

Mr. Leared requested the Board authorize duplicate mailing of the tax statements addressed to the homeowner/taxpayer in January if the taxes are still due.

Mr. Leared provided the Delinquent Tax Report by Perdue, Brandon, Fielder, Collins & Mott, L.L.P., a copy of which is attached hereto as Exhibit "D." Director Soliz stated that the lot in the District which has been foreclosed upon and written off to the school district will be auctioned off in November. The Board discussed the pros and cons of purchasing the property to develop a park. It was the consensus of the Board not to pursue purchasing the property.

Upon motion by Director Clarey, seconded by Director Soliz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor-Collector's Report, to authorize the expenditures listed therein, to authorize the mailing of duplicate tax statements addressed to homeowner in January if the taxes are still due, and to approve the Delinquent Tax Report.

6. **Delinquent Tax Report.** This item was covered under the Tax Assessor and Collector's Report.

7. **Public Hearing on Taxation of Goods in Transit.** The President convened the public hearing on the proposed taxation of goods in transit. There were no comments. Mr. Pennington noted that notice of the hearing was published as required by the Texas Constitution and applicable legislation.

8. **Resolution Authorizing Taxation of Goods in Transit.** The President recognized Mr. Pennington, who reported that new legislation allows for utility districts to disallow a new exemption from tax for personal property that's held within a district for less than 175 days. Mr. Pennington presented to and reviewed with the Board the Resolution Authorizing Taxation of Goods in Transit under Section 11.253(j), Tax Code, a copy of which is attached hereto as Exhibit "E."

