

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153
November 4, 2009

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

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 153 (the "District") met in special session, open to the public at Walden on Lake Houston Country Club, 18100 Walden Forest Drive, Humble, Texas 77346, at 9:00 a.m. Wednesday, November 4, 2009, whereupon the roll was called of the members of the Board, to-wit:

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

All members of the Board were present, except Director DeYoung. Also attending all or portions of the meeting were Mr. Gary Hastings of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; Mr. Sam Zabaneh and Ms. Amy Zapletal of Brown & Gay Engineers, Inc. ("BGE"), engineers for the District; Mr. Cory Burton of Municipal Accounts and Consulting, L.P. ("MA&C"), bookkeeper for the District; Mr. Eric Comeau of Bob Leared Interests, tax assessor-collector for the District; Mr. Cole Pilgrim, Mr. Paul Waldmiller and Ms. Sandy Waldmiller, District residents; and Ms. Heather De La Garza 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 October 21, 2009.** Minutes of the meeting of October 21, 2009, previously distributed to the Board, were presented for consideration and approval. 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 such minutes, as presented.

2. **Public Comments.** The President recognized Mr. Pilgrim, who stated that he shorted his water bill \$15 for lack of trash service for two weeks. He reported that he notified MOC that he was paying less than his balance and the reason. Mr. Pilgrim reported that MOC stated that it did not have the authority to adjust water bills, which Mr. Hastings confirmed. Discussion ensued. It was the consensus of the Board to waive \$7.50 and two late penalties.

The Board asked Mr. Hastings to put the Republic Services phone number on the water bill with the message to call Republic Services if the trash is not collected.

The President recognized Mr. Waldmiller, who reported that Republic Services is not responsive to customer calls. He relayed the several attempts to request a 65 gallon trash container and lack of response by Republic Services. The President reported that Republic Services decided not to offer 65 gallon trash containers to the District customers. Mr. Waldmiller stated that he would like curbside recycling to be added to the District. The President stated that the Board favors recycling; however, customer responses to a survey conducted by the District resulted in a lack of support for such a program by the District residents. The President reported that recycling containers have been placed at the Maplebrook Elementary School. Director Clarey noted that some of the District customers are having difficulty paying current expenses and the Board did not want to add to that burden. Discussion ensued.

3. **Bookkeeper's Report, Investment Report, a payment of bills and take any necessary action.** The President recognized Mr. Cory Burton, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "B." Mr. Burton reported that check #3506 was voided and reissued for the company's new name.

Upon review of the Fund Balance Report, Mr. Burton reported that a Certificate of Deposit ("CD") was purchased in the Operating Fund at Ironstone Bank.

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 Bookkeeper's Report and to authorize payment of the checks listed therein.

4. **Developer's Report.** The President recognized Ms. Zapletal, who reported that BGE has revised the facility costs. She stated that BGE will provide the revised cost summary to Dr. Manon and Dr. Quentel.

5. **Tax Assessor and Collector's Report, status of delinquent tax accounts, and payment of bills.** The President recognized Mr. Comeau, who presented to and reviewed with the Board the Tax Assessor-Collector's Report for October, a copy of which is attached hereto as Exhibit "C." Mr. Comeau reported that 98% of the District's 2008 taxes have been collected as of October 31, 2009.

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 and to authorize the expenditures listed therein.

6. **Engineer's Report, including review of Engineer's projects and capital repairs.** The President recognized Ms. Zapletal, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "D."

Ms. Zapletal reported that the Olympic Village Storm Sewer Rehabilitation, Phase II bids will be presented at the December Board meeting.

Ms. Zapletal reported that BGE issued the Notice to Proceed for the Hydropneumatic Tank Addition at Water Plant No. 1

Ms. Zapletal reported that MOC will utilize the “triggered response” to comply with new Environmental Protection Agency requirements of public water systems that use ground water sources. She reported that BGE will inform the Texas Commission on Environmental Quality of the District’s chosen means of compliance.

Ms. De La Garza reported that F&J is still reviewing the Water Supply Contract with WYA The Bridges at Lake Houston. Ms. Zapletal reported that MOC and Mr. Burton are assisting in the water cost estimates.

Ms. Zapletal reported that the water well for water plant #2 may be moved to avoid the need for the railroad easement acquisition. Ms. Zapletal requested Board authorization to proceed with the design of relocating the water plant #2 water well.

Ms. Zapletal reported that the lift station #4 plans will be submitted to the City of Houston and Harris County for signature.

Ms. Zapletal reported that a developer in Harris County Municipal Utility District No. 152 may request additional capacity in the shared lift station with the District.

Ms. Zapletal reported that BGE provided an updated letter to Mr. Wheless explaining the purpose of the sanitary sewer easement and confirming that capacity is available if his tract is developed and the owners contribute to the costs of the project.

Director Clarey reported that the renewed development interest by W.Y. Atlantis was discussed at the AJOB meeting. He reported that AJOB approved an odor control solution that will cost approximately \$75,000. Ms. Zapletal reported that AJOB paid the Supplemental Environmental Project payment to the Gulf Coast Waste Disposal Authority.

Upon motion by Director Lavey, seconded by Director Soliz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer’s Report and to authorize BGE to proceed with the design of relocating the water plant #2 water well.

7. Approve Amended Water Supply Contract, Amended Waste Disposal Contract and Agreement for Construction and Maintenance of Wastewater Pump Station, Force Main and Site. This item was covered under the Developer’s Report and Engineer’s Report.

8. Update on construction of Water Plant No. 2 or Expansion of Water Plant No. 1, service for proposed annexation tracts and Harris County MUD 494, sale of wastewater treatment plant capacity to Harris County MUD No. 494, and take any necessary action. This item was covered under the Developer’s Report and Engineer’s Report.

9. Atascocita Joint Operations Board (“AJOB”) Report. This item was covered under the Engineer’s Report.

10. **Operator's Report and hearing on delinquent accounts.** The President recognized Mr. Hastings, who presented to and reviewed with the Board the Operations Report, and water termination list, a copy of which is attached hereto as Exhibit "E." Mr. Hastings reported that MOC now answers customer calls until 10:00 p.m. Monday through Friday.

Upon motion by Director Clarey, seconded by Director Lavey, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report and to terminate the delinquent accounts in accordance with the District's rate order.

11. **Discuss Immediate Response Information System.** The Board discussed the costs of the Immediate Response System by TechRadium. Mr. Hastings reported that Harris County has a notification system which can be utilized for emergencies. He reported that MOC would hang door notices for limited notifications. It was Board consensus not to contract for the Immediate Response Information System at this time.

12. **Attorney's Report.** No action was taken on this item.

13. **Other matters.** No action was taken on this item.

14. **Next Meeting Date.** It was the consensus of the Board to hold the next monthly Board meeting on December 16, 2009 at 11:30 a.m. at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney, Houston, Texas 77010.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on December 16, 2009.

Samuel B. Clay Jr.

President, Board of Directors

ATTEST:

William A. Meyer

Secretary, Board of Directors

(DISTRICT SEAL)

