

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153  
April 21, 2010

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 regular session, open to the public at Fulbright & Jaworski L.L.P., 1301 McKinney, Houston, Texas 77010, at 11:30 a.m. Wednesday, April 21, 2010, 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 Clarey. 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. Greg Vionis of Sam Yager, Inc., developer of Harris County Municipal Utility District No. 494 ("MUD 494"); and Mr. Neil Thomas 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 March 31, 2010.** Minutes of the meeting of March 31, 2010, previously distributed to the Board, were presented for consideration and approval. Upon motion by Director Lavey, 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. **Accept Resignation of Director Lavey.** The President reported that Mr. David Bloedorn was interested in serving on the Board and was a District resident. Upon motion by Director DeYoung, seconded by Director Lavey, after full discussion and the question being put to the Board, the Board voted unanimously to accept Director Lavey's resignation and to appoint

Mr. Bloedorn to the Board, contingent upon receipt of Mr. Bloedorn's affidavit, statement of officer and oath of office.

4. **Qualify and Appoint New Director.** This item was covered under item #3.

5. **Election of Officers.** No action was taken on this item.

6. **Developer's Report.** The President recognized Mr. Vionis, who reported that MUD 494 is negotiating the land swap with Merrylands Interests. He stated that negotiations with the City of Houston are progressing.

Director Soliz joined the meeting.

7. **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 March, a copy of which is attached hereto as Exhibit "B." Mr. Comeau reported that 96% of the District's 2009 taxes had been collected as of March 31, 2010.

Mr. Comeau presented to the Board the Perdue, Brandon, Fielder, Collins & Mott, L.L.P. Delinquent Tax Report, a copy of which is attached hereto as Exhibit "C." He stated that there are no action items on the report.

Upon motion by Director DeYoung, 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, and to approve the Delinquent Tax Report.

8. **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 on the Olympic Village Storm Sewer Rehabilitation, Phase II. She reported that the Texas Commission on Environmental Quality ("TCEQ") inspection of the project is scheduled for April 27, 2010.

Ms. Zapletal reported on the Hydropneumatic Tank Addition at Water Plant No. 1. She reported that startup is scheduled for this week. Ms. Zapletal recommended Board approval of payment of Pay Estimate No. 2 from Schier Construction in the amount of \$52,470.00 for the Hydropneumatic Tank Addition at Water Plant No. 1.

Ms. Zapletal reported on Harris County acceptance of the Pines of Atascocita, Section Four, streets and storm sewers. She reported that BGE is awaiting response to the letter to the Harris County Public Infrastructure Department requesting exploration of the status of the bond originally provided by the developer and the likelihood of calling the bond to finance repairs.

Ms. Zapletal reported that BGE has confirmed to the TCEQ that the District will not submit a Trigger Source Monitoring Plan at this time based on TCEQ directions provided to

BGE.

Ms. Zapletal presented and reviewed with the Board a Storm Water Solutions proposal for clean out of the Waterhaven StormCeptor in the amount of \$5,412.80, required for the stormwater quality feature permit renewal, included in the Engineer's Report. Ms. Zapletal reported that replacement of the pneumatic plug may be required depending on the condition of the plug. She reported that a pneumatic plug will cost \$3,700.00 and asked that the Board approve the plug replacement cost, if needed.

Ms. Zapletal presented to and reviewed with the Board an Annual Service Agreement Water Storage Tank/Clarifier Cathodic Protection System with Corpro for \$575.00, included in the Engineer's Report. She reported that the agreement is for the inspection of the cathodic protection system within the Ground Storage Tank at Water Plant No. 1.

Ms. Zapletal reported on the request for service for Condo Lakes Townhomes at Nehoc Lane and Camp Lillie Road by Jack Rimes & Associates, Inc. She reported that Jack Rimes & Associates is negotiating with the City of Houston.

Ms. Zapletal reported on the guaranties from participants in facilities to serve the annexation tracts and MUD 494. She reported that the TCEQ confirmed it will require documentation of available funds from other participants when the District submits its surplus funds application. Ms. Zapletal reported that if the District spends operating funds to prefinance a certain percentage of the projects, then the TCEQ will only require a guaranty of the Developer's share of the remainder of the project. She stated that Dr. Manon, Dr. Quentel and Merrylands Interests would prefer to pay cash for invoices, instead of drawing on a letter of credit. Ms. Zapletal reported that Harris County Municipal Utility District No. 152 ("MUD 152") wants clarification on the extent of compensation for the land costs, generator costs and initial construction costs to be financed by MUD 494 for the shared lift station. She stated that MUD 152 does not want MUD 494 to be allowed to enter into an agreement based solely on the incremental cost of adding a pump to the lift station.

Ms. Zapletal reported on the sanitary sewer easements for the Offsite Water and Sewer Mains Project. Ms. Zapletal reported that BGE will incorporate MOC recommendations to install sanitary sewer service for Ms. Spurlock from the proposed manhole adjacent to the site. She reported that Mr. Thomas has made the offer for the easement. Mr. Thomas stated that Ms. Spurlock has not returned his calls.

Ms. Zapletal reported on the Atascocita Joint Operations Board. She reported that there have been no recent odor complaints by residents.

Upon motion by Director Lavey, seconded by Director DeYoung, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report, to approve payment of Pay Estimate No. 2 from Schier Construction in the amount of \$52,470.00 for the Hydropneumatic Tank Addition at Water Plant No. 1; to approve the Storm Water Solutions proposal for cleaning of the Waterhaven StormCeptor in the amount of \$5,412.80, and an additional \$3,700.00 if needed for a pneumatic plug; and to approve the Annual Service Agreement Water Storage Tank/Clarifier Cathodic Protection System with

Corrpro for \$575.00 for the inspection of the cathodic protection system within the Ground Storage Tank at Water Plant No. 1.

9. **Request for service for Nehoc Road and Camp Lillie Road tract.** No action was taken on this item.

10. **Discuss and take any action related to guaranties from participants in facilities to serve annexation tracts and HC MUD 494.** This item was covered under the Engineer's Report.

11. **Authorize advertisements for bids for Lift Station No. 4, Offsite Water and Sewer Mains, and Improvements to Shared HC MUD 152/153 Lift Station to serve annexation tracts and HC MUD 494.** This item was deferred.

12. **Merrylands Interests Annexation – receive petition for annexation.** This item was deferred.

13. **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 Engineer's Report.

14. **Atascocita Joint Operations Board report.** This item was covered under the Engineer's Report.

15. **Bookkeeper's Report, Investment Report, a payment of bills and take any necessary action.** The President recognized Mr. Burton, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "E." Mr. Burton noted check #3706 to Schier Construction was covered under the Engineer's Report. Mr. Burton reported that check #3708 to Southwest Securities, Inc. is for the tax rate recommendations.

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

Upon motion by Director DeYoung, seconded by Director Lavey, 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.

16. **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 "F."

Mr. Hastings reviewed the Termination List, included in the Operations Report.

Mr. Hastings reviewed the Write-Offs List, included in the Operations Report. He reported that accounts are only considered for the Write-Off List after the resident has moved out of the District.

Mr. Hastings reported that there were approximately six leaks in the District in March. He reported that a main water line repair cost approximately \$6,000. Mr. Hastings suggested that BGE identify the water lines made of asbestos cement pipe in the District for possible replacement. Mr. Zabaneh reported that BGE could prepare a map of the District's water lines with construction date and material noted, and prepare a cost estimate for replacement of the older lines.

Upon motion by Director Lavey, seconded by Director DeYoung, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report, to terminate the delinquent accounts in accordance with the District's rate order, to write-off the accounts on the Write-Off List as uncollectible and to authorize BGE to identify the District water lines made of asbestos cement pipe and prepare a cost estimate for replacement of said lines.

17. **Red Flag Policy Annual Report.** This item was deferred.

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

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

20. **Next Meeting Date.** It was the consensus of the Board to hold the next monthly Board meeting on May 19, 2010 at 11:30 a.m. at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney, Houston, Texas 77010.

21. **Discuss and take action regarding sanitary sewer easements for Offsite Water and Sewer Mains project, including discussion of offer regarding Spurlock tract.** This item was covered under the Engineer's Report.

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 May 19, 2010.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)

