

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153  
June 16, 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, June 16, 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  
Alan Waters, Treasurer  
David Bloedorn, Assistant Secretary

All members of the Board were present, except Directors Waters and Bloedorn. 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; 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 May 19, 2010.** Minutes of the meeting of May 19, 2010, 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. **Discuss request by Walden CSA and CAM to assume Exclusive Residential Refuse Service Contract and any necessary action, consider service changes.** The Board reviewed the Additional Residential Collection Services by Republic Services, a copy of which is attached hereto as Exhibit "B." The President stated that he would like to discuss any option with the Walden CSA prior to any change in the solid waste collection.

Director Soliz noted that the options provided by Republic Services did not include options for the District's recycling bins at Maplebrook Elementary School. The President

stated that the recycling bins are overflowing and either larger bins are required or The District needs to arrange with the provider for additional collection dates.

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 addition of a second heavy trash collection on the second Friday of the month contingent upon approval by David Simon, President of Walden CSA.

3. **Maplebrook Elementary School request for koi pond and playground equipment support and any necessary action.** The Board reviewed the Century Gardens proposal for relocation of the Maplebrook Elementary School koi pond in the amount of \$8,765.50, a copy of which is attached hereto as Exhibit "C." The Board discussed the benefits to the community for funding the koi pond relocation. Mr. Thomas presented to and reviewed with the Board a copy of the Agreement for Shared Costs for Recreational Facilities ("Agreement"), a copy of which is attached hereto as Exhibit "D." Mr. Thomas stated that the Agreement specifies that Humble Independent School District ("Humble ISD") will construct the koi pond in compliance with Texas law and that the koi pond will be open to the public. 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 authorize F&J to provide the proposed Agreement to Humble ISD. It was the consensus of the Board to have the school install plaques that the District contributed to the koi pond and any playground equipment that the District may fund.

Ms. Zapletal reported that May Recreation Equipment & Design, L.P. is not reported as a BuyBoard approved vendor on the BuyBoard website. Mr. Thomas stated that three bids will need to be solicited if the District funds less than \$50,000 and greater than \$25,000. The Board discussed funding half of the second option presented at the May Board meeting. Mr. Thomas stated that an agreement could dictate that Humble ISD must comply with District requirements regarding the purchase and installation of the playground equipment.

4. **Public Comments.** There were no public comments.

5. **Developer's Report.** Mr. Zabaneh reported that Sam Yager, Inc. (Harris County Municipal Utility District 494) is meeting with the property owners on Friday to discuss project updates. He reported that Sam Yager, Inc. continues negotiations with the City of Houston regarding the City's approvals for water service for the development and for access to the site. Mr. Zabaneh reported that Sam Yager, Inc. expects to proceed with the construction of a bridge over the existing railroad to access land east of the railroad.

Ms. Zapletal reported that four residential taps were installed in Waterhaven.

6. **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 May, a copy of which is attached hereto as Exhibit "E." Mr. Comeau reported that 97% of the District's 2009 taxes had been collected as of May 31, 2010.

Upon motion by Director Soliz, seconded by Director Clarey, 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.

**7. 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 "F."

Director Clarey asked in which fiscal year will the Pines of Atascocita, Section Four repairs will occur. Mr. Zabaneh stated that the repairs will occur in this fiscal year. He reported that BGE has to prepare the plans and bid documents prior to the repairs. Ms. Zapletal stated that the storm sewer repairs may be paid from surplus funds. Mr. Zabaneh pondered if paving costs may be paid from surplus as the grading of the pavement is essential to the drainage system. Mr. Thomas stated that while the Board had determined that the repairs were drainage related, it would be easiest to pay the cost of the repairs from the Operating Fund.

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.

**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 "G." Ms. Zapletal reported that the Hydropneumatic Tank Addition at Water Plant No. 1 is complete. She recommended Board approval of payment of Pay Estimate No. 3 and Final from Schier Construction in the amount of \$18,730.00.

Ms. Zapletal reported on Harris County acceptance of the Pines of Atascocita, Section Four, streets and storm sewers. She reported that the Harris County Public Infrastructure Department inspected the facilities on June 15, 2010. Ms. Zapletal requested Board authorization to advertise for construction bids and provide an update letter to the Homeowner's Association.

Ms. Zapletal reported that BGE has distributed copies of the District's Emergency Preparedness Plan to the Harris County Judge, Harris County Office of Emergency Management, the Public Utility Commission of Texas and the Texas Division of Emergency Management.

Ms. Zapletal reported that Storm Water Solutions has requested an access easement to a gate near the lake that is accessible from the marina area to provide for maintenance of the Waterhaven stormwater quality feature. She stated that the developer will coordinate signature of the necessary easement documents to District secure access. Ms. Zapletal reported that BGE will coordinate preparation of the easement for such access.

Ms. Zapletal reported that BGE is preparing a feasibility report of the waterline rehabilitation costs for the Board's review. She stated that BGE is focusing on an area known to be susceptible to waterline and main breaks. She stated that three repair options are being considered: open cut and replace, directional drilling, and cured-in place pressure lining for potable pressure pipe. Ms. Zapletal stated that BGE is focusing on Golfer's Village and working with contractors to prepare a cost estimate for the waterline rehabilitation. Mr. Zabaneh stated

that not all repair items are listed on the BuyBoard. Ms. Zapletal stated that BGE will complete the waterline rehabilitation cost estimate for the Board's consideration.

Ms. Zapletal reported that BGE has provided the breakdown of the original and proposed costs for the existing shared lift station to Harris County Municipal Utility District No. 152 ("MUD 152").

Ms. Zapletal reported on the Offsite Water and Sewer Facilities to Serve the Annexation Tracts. Ms. Zapletal reported that BGE has recorded the easement from Mr. Wheless. Mr. Thomas reported that he has made the offer for the easement to Ms. Spurlock and that she has not returned his latest calls.

Ms. Zapletal reported that the Atascocita Joint Operations Board authorized award to Deggs Service Enterprise for a contract to add supplemental aeration at the digesters.

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 Engineer's Report, to approve payment of Pay Estimate No. 3 and Final from Schier Construction in the amount of \$18,730.00 for the Hydropneumatic Tank Addition at Water Plant No. 1, and to authorize BGE to advertise for construction bids for the Pines of Atascocita, Section Four repairs.

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

10. **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.

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

12. **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 "H."

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

Mr. Hastings reviewed the Write-Offs List, included in the Operations Report.

Mr. Thomas reported on the documentation for the Federal Emergency Management Agency ("FEMA") Claim Summary Form for the District for Hurricane Ike. He reported that Southwest Water Company indicated that all District documents were provided to MOC at the time of transition. Mr. Hastings stated that Southwest Water Company did not provide the Southwest Water Company invoices and vendor invoices. Mr. Burton stated that MA&C has the Southwest Water Company invoices. The Board requested that Mr. Burton obtain the Southwest Water Company invoices from storage to provide to MOC for the FEMA Claim Summary Form.

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 Operator's Report, to terminate the delinquent accounts in accordance with the District's rate order and to write-off the accounts on the Write-Off List as uncollectible.

13. **Approve Collateral Security Agreement with Amegy Bank.** The President recognized Mr. Hastings, who presented to and reviewed with the Board the Collateral Security Agreement with Amegy Bank, a copy of which is attached hereto as Exhibit "I." Mr. Thomas reported that the agreement is to secure the District's deposits. He reported that F&J has reviewed the proposed agreement and has no objections.

Upon motion by Director Soliz, seconded by Director Clarey, after full discussion and having had the question put to the Board, the Board voted unanimously to approve the Collateral Security Agreement.

14. **Approve Interlocal Agreement with Harris-Galveston Subsidence District for Water Wise Program.** Mr. Thomas presented to and reviewed with the Board an Interlocal Agreement with the Harris-Galveston Subsidence District, a copy of which is attached hereto as Exhibit "J." Mr. Thomas explained that under the Interlocal Agreement, the District commits to buy WaterWise kits for the Maplebrook Elementary school children in the District to teach them water conservation.

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 Interlocal Agreement.

15. **Renew and Approve District Insurance.** The Board reviewed the HARCO Insurance Services Proposal for July 1, 2010 through July 1, 2011 (the "Insurance Proposal"), a copy of which is attached hereto as Exhibit "K."

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 accept the HARCO insurance proposal.

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


17. **Other matters.** Director Soliz reported that he attended the Atascocita Security Meeting. He reported that Walden CSA does not have a contract with the Constable's Office because the deputies were occupied with other areas and not receiving the desired coverage and visibility. Director Soliz stated that the deputies have been more visible in Walden despite the lack of contract.

18. **Next Meeting Date.** It was the consensus of the Board to hold the next monthly Board meeting on July 21, 2010 at 11:30 a.m. at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney, Houston, Texas 77010.

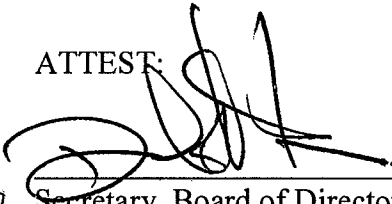
THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on July 21, 2010.

  
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President, Board of Directors

ATTEST:

  
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Ass't. Secretary, Board of Directors

(DISTRICT SEAL)

