

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153  
November 17, 2010

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, November 17, 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 Director Claytor. Also attending all or portions of the meeting were Mr. Gary Hastings of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; Ms. Amy Zapletal and Mr. Sam Zabaneh 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. Dimitri Millas 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 20, 2010.** Minutes of the meeting of October 20, 2010, previously distributed to the Board, were presented for consideration and approval. Upon motion by Director Clarey, seconded by Director Waters, 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. **Dr. Manon request for refund of payments to District and any necessary action.** The Vice President recognized Ms. Zapletal, who reviewed with the Board Dr. Manon's request for refund of his remaining annexation deposit, and utilities design and construction deposit, a copy of which is attached hereto as Exhibit "B." Ms. Zapletal reviewed with the Board a summary of expenses that have been allocated to Dr. Manon's deposit, included in the

Engineer's Report. Mr. Millas noted that Dr. Manon has requested refund of the interest earned on the deposit. Mr. Burton estimated that the earned interest will be approximately \$500. Ms. Zapletal recommended that the advertisement cost of the upcoming project be retained, estimated at \$200. She stated that once the project is advertised, the construction costs will be known and the tract owners can then deposit the required funds for construction. Upon motion by Director Clarey, seconded by Director Waters, after full discussion and the question being put to the Board, the Board voted unanimously to approve refunding Dr. Manon the remainder of his annexation deposit, and utilities design and construction deposit upon completion of the annexation to the District with interest earned on the deposits.

4. **Approve Orders Adding Land and Redefining Boundaries for MacAmeri, L.L.C. and Daponte Properties, L.L.C.** The Vice President recognized Mr. Millas, who presented to and reviewed with the Board the Orders Adding Land and Redefining Boundaries for MacAmeri, L.L.C. and Daponte Properties, L.L.C., copies of which are attached hereto as Exhibits "C" and "D," respectively. Mr. Millas reported that the City of Houston approved the annexations of the land.

Upon motion by Director Waters, seconded by Director Bloedorn, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Orders Adding Land and Redefining Boundaries for MacAmeri, L.L.C. and Daponte Properties, L.L.C.

5. **Approve Amendment to District Information Form.** The Vice President recognized Mr. Millas, who presented to and reviewed with the Board the Amended District Information Form, a copy of which is attached hereto as Exhibit "E." Mr. Millas reported that this amended District Information Form will be filed in the Harris County Real Property Records to note the new boundaries of the District.

Upon motion by Director Waters, seconded by Director Bloedorn, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Amended District Information Form.

6. **Approve refund of remaining annexation deposit for MacAmeri, L.L.C.** Upon motion by Director Waters, seconded by Director Clarey, after full discussion and the question being put to the Board, the Board voted unanimously to approve refunding Dr. Ameri the remainder of his annexation deposit upon completion of the annexation to the District with interest earned on the deposit.

7. **Developer's Report.** The Vice President recognized Ms. Zapletal, who reported that BGE met with the new engineer for The Bridges at Lake Houston.

Ms. Zapletal reported that F&J has requested Dr. Quentel renew his expiring letter of credit or provide a deposit to the District for his share of proposed facilities first phase expenses.

8. **Tax Assessor and Collector's Report, status of delinquent tax accounts, and payment of bills.** The Vice 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 "F." Mr. Comeau reported that 98% of the District's 2009 taxes had been collected as of October 31, 2010.

Mr. Comeau reported that duplicate tax statements will be distributed in January to unpaid accounts if the original statement was sent to a mortgage company.

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

**9. Bookkeeper's Report, Investment Report, a payment of bills and take any necessary action.** The Vice 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 "G."

Mr. Burton reported that the District had purchased two Certificates of Deposit ("CD") in the Operating Fund and one CD in the Debt Service Fund.

Mr. Burton stated that Amegy Bank will begin charging fees that will cost the District approximately \$200 a month. He reported that MA&C recommends switching the District's accounts to Compass Bank. Mr. Burton reported that Compass Bank has a \$10 service charge if an account earns more than \$10 in interest in a month. It was the consensus of the Board to approve the change in depository next month when it may be placed on the agenda.

Upon motion by Director Bloedorn, seconded by Director Waters, 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.

**10. Engineer's Report, including review of Engineer's projects and capital repairs.** The Vice 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 "H." Ms. Zapletal reported that the Waterhaven stormwater quality feature access easement has been recorded.

Ms. Zapletal reported on the Pines of Atascocita, Section 4, Punchlist Repairs. She recommended payment of Pay Estimate No. 1 in the amount of \$263,136.60 to D and J Construction, Inc. for the pavement repairs, storm sewer inlet and manhole repairs in Pines of Atascocita, Section 4. Ms. Zapletal reported that for the balance of construction, no driveway cracked due to adjacent pavement lifting activities. She reported that BGE has requested Harris County inspection. Ms. Zapletal reported that BGE will notify the Board and the Walden Community Service Association when the inspection date is scheduled.

Ms. Zapletal reviewed with the Board the draft Proposed Capital Improvements & Available Funds and Capital Improvement Projects, included in the Engineer's Report. Ms. Zapletal reported that the pressurized hydropneumatic tanks are the highest concern because they can explode. Mr. Hastings stated that the hydropneumatic tanks are inspected annually. Ms. Zapletal stated that the District has remaining unissued bond authorization. Mr. Zabaneh stated that the Board may want to consider doing the capital improvement projects sooner because of the reduced construction costs that are available at this time.

Ms. Zapletal reported on the service to the Condo Lakes Townhomes at Nehoc Lane and Camp Lillie Road. She reported that the Utility Service Contract By and Between the City of Houston and the District for the Townhomes Tract on Camp Lillie Road has been returned to the City of Houston for signature. Ms. Zapletal reviewed with the Board the Preliminary Cost Estimate for the Condo Lakes Townhomes, included in the Engineer's Report. She reported that the District's share of the project is approximately \$163,014. Ms. Zapletal reported that the developer will not be reimbursed for her cost of the utilities installation. Director Clarey noted that it is a large expense for a project with little benefit to the District. Mr. Zabaneh noted that residents have complained about water quality and that the proposed twelve inch water line will improve water circulation and quality. Ms. Zapletal reported that notice will be given to AJOB after receipt of the developer's deposit because the area is not within the original service area of the AJOB agreements.

Ms. Zapletal reported on the Atascocita Joint Operations Board. She reported that AJOB received the TXU energy-efficiency rebate. She reported BGE is coordinating a modification to the lift station conveyor for the addition of sheet metal to the upper trough to more effectively direct the solids into the conveyor.

Upon motion by Director Bloedorn, seconded by Director Waters, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report and to approve payment of Pay Estimate No. 1 in the amount of \$263,136.60 to D and J Construction, Inc. for the pavement repairs, storm sewer inlet and manhole repairs in Pines of Atascocita, Section 4.

**11. Authorize execution of revised letter agreement with WYA The Bridges at Lake Houston, Ltd. confirming the terms for purchase of wastewater treatment plant capacity.** This item was deferred.

**12. Approve and authorize execution of Fourth Amended and Restated Waste Disposal Contract confirming the terms for purchase of wastewater treatment plant capacity.** This item was deferred.

**13. Water Supply and Sanitary Sewage Service Agreement for proposed town homes on Camp Lillie Road and any necessary action related to service to the tract.** This item was deferred.

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

**15. Operator's Report and hearing on delinquent accounts.** The Vice President recognized Mr. Hastings, who presented to and reviewed with the Board the Operations Report, a copy of which is attached hereto as Exhibit "I."

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

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

Mr. Hastings reviewed with the Board photographs of a broken stack replaced by

MOC.

Mr. Hastings reported that a resident has requested a water bill adjustment. He reported that the resident had a \$504 water bill and a water meter that ran significantly faster than normal. Mr. Hastings reported that the meter showed water usage of 170,000 gallons and has approximately 700,000 gallons on the meter. He reported that MOC replaces approximately four to ten water meters a month with usage greater than one million gallons. Mr. Hastings requested Board authorization to adjust the resident's water bill based on a three month average usage.

Mr. Hastings reported that there were eight waterline breaks in the District in October and that three of them were main line breaks. He reported that most of the waterline breaks were located in the Olympic Village area.

Mr. Hastings reported that MOC received \$343 from the insurance company for the fire hydrant that was damaged by the apartments.

Director Clarey reported that a resident contacted him regarding the District's water quality after the Channel 11 television report on radiation in the water. Mr. Hastings reported that the Texas Commission on Environmental Quality tests the District's water regularly. He reported that most of the contaminants are naturally occurring and occur at very low levels. Mr. Hastings reported that the test results are included in the annual Drinking Water Quality Report which is posted on the District's web site. He stated that it would be brought to the Board's attention if the District's water had an unusually high level of a contaminant. Mr. Hastings recommended the resident contact MOC if he wants detailed information on the District's water.

Upon motion by Director Clarey, seconded by Director Bloedorn, 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 MOC to adjust the resident's water bill with the broken water meter.

**16. Consider Atascocita Middle School Request for recreational facility funding and any necessary action.** The Vice President reported that F&J has provided Atascocita Middle School ("AMS") an agreement for funding the improvements discussed at the last Board meeting. He reported that AMS has provided the proposed agreement to Humble Independent School District for signature and attorney review.

**17. Other matters.** Director Waters suggested a security presentation by the Harris County Precinct 4 Constables at the next Board meeting.

**18. Next Meeting Date.** It was the consensus of the Board to hold the next monthly Board meeting on December 15, 2010 at 11:30 a.m. at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney, Houston, Texas 77010.

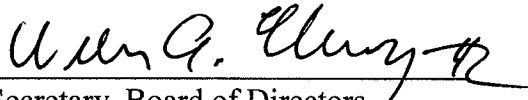
THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The foregoing minutes were passed and approved by the Board of Directors on December 15, 2010.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)

