

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153  
March 31, 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 special session, open to the public at Fulbright & Jaworski L.L.P., 1301 McKinney, Houston, Texas 77010, at 11:30 a.m. Wednesday, March 31, 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. 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 February 17, 2010.** Minutes of the meeting of February 17, 2010, previously distributed to the Board, were presented for consideration and approval. Upon motion by Director Lavey, seconded by Director Clarey, 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. **Developer's Report.** The President recognized Ms. Zapletal, who reported that eleven homes have sold in Waterhaven.
4. **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 February, a copy of which is attached hereto as Exhibit "B." Mr. Comeau reported that 95% of the District's 2009 taxes had been collected as of February 28, 2010.

Mr. Comeau reported that a resident requested waiver of penalty and interest on his tax bill because the resident paid his taxes with online checking and the bank provided the payment late. He reported that the total penalty and interest is \$98.

Mr. Comeau provided the Top Delinquent Taxpayers, a copy of which is attached hereto as Exhibit "C."

Director Clarey entered the meeting.

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 Tax Assessor-Collector's Report, to authorize the expenditures listed therein, and to approve the waiver of the penalty and interest for the delayed online payment.

5. **Agreements necessary to provide electronic payment of taxes.** The President recognized Mr. Comeau, who presented to and reviewed with the Board the Sage Payment Solutions Virtual Check Merchant Processing Application, the Addendum to Merchant Processing Agreement with ServiceU Corporation and Sage Payment Solutions, and the First Addendum to Agreement for Services of Tax Assessor and Collector with Bob Leared Interests, copies of which are attached hereto as Exhibits "D," "E," and "F," respectively. Mr. Comeau stated that Bob Leared Interests currently accepts credit card payments. He stated that the Sage Payment Solutions Virtual Check Merchant Processing Application is for the addition of virtual check payment processing. Mr. Comeau stated that there is a \$5.00 processing fee paid by the customer.

Upon motion by Director Lavey, seconded by Director Clarey, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Sage Payment Solutions Virtual Check Merchant Processing Application, the Addendum to Merchant Processing Agreement with ServiceU Corporation and Sage Payment Solutions, and the First Addendum to Agreement for Services of Tax Assessor and Collector with Bob Leared Interests.

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 "G." Ms. Zapletal reported on the Olympic Village Storm Sewer Rehabilitation, Phase II. Ms. Zapletal recommended Board approval of payment of Pay Estimate No. 1 from C. E. Barker, Ltd. in the amount of \$62,502.71 and Pay Estimate No. 2 from C.E. Barker, Ltd. in the amount of \$55,932.89 for the Olympic Village Storm Sewer Rehabilitation, Phase II.

Ms. Zapletal reported on the Hydropneumatic Tank Addition at Water Plant No. 1. She reported that the hydropneumatic tank was delivered. Ms. Zapletal recommended Board approval of payment of Pay Estimate No. 1 from Schier Construction in the amount of \$21,600.00 and Change Order No. 2 for a 21-day extension to the contract period 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 and Director Claytor met with representatives from Harris County Public Infrastructure Department. Ms. Zapletal reported that Harris County recommended the District request Harris County explore the status of the bond originally provided by the developer, which has been done. She reviewed the process to arrange for inspection and repair of the facilities. Ms. Zapletal reported that the one year maintenance period would be waived once the facilities are ready for acceptance. Ms. Zapletal requested Board authorization to notify the Waldens Homeowner Association of the situation and the District's efforts to pursue acceptance of the infrastructure.

Ms. Zapletal reported that the District's Emergency Preparedness Plan was submitted to the Texas Commission on Environmental Quality ("TCEQ").

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 the owners shall negotiate and finance all costs for a service agreement with the City of Houston. Ms. Zapletal reported that five separate water meters will be required and that the service will be billed as out-of-District customers. She reported that the owners will finance the extension of water and sanitary sewer lines to the property. Ms. Zapletal reported that F&J has researched the AJOB agreement and advised that notice must be given to AJOB since this tract is not within the original service area of the AJOB agreements. She reported that the District has sufficient capacity to serve the property.

Director Soliz joined the meeting.

Ms. Zapletal reported that BGE has contacted the TCEQ regarding Merrylands' request to pay for the proposed facilities construction costs as incurred instead of providing a letter of credit.

Ms. Zapletal reported that BGE is awaiting a description of the area to be removed from the annexation area in order to be swapped with WYA The Bridges at Lake Houston for access to West Lake Houston Parkway. She stated that once the description is provided, the proper maps and metes and bounds descriptions can be prepared for the Merrylands Interests annexation. Ms. Zapletal reported that Mr. Thomas is working on the title information for the six Merrylands lots to be condemned.

Ms. Zapletal reported on the sanitary sewer easements for the Offsite Water and Sewer Mains Project. Ms. Zapletal reported that Mr. Hastings met with Ms. Spurlock regarding service to her property. Mr. Thomas stated that he made an offer to Ms. Spurlock for the sanitary sewer easement. He reported that Ms. Spurlock was not interested in the financial offer and wanted to receive utility service at in-District rates in exchange for the sanitary sewer easement. Mr. Hastings reported that water usage is approximately 20,000 gallons per month for Ms. Spurlock's property. He stated that there is a pond on the property that is replenished. Mr. Thomas stated that the utility service could be limited to current usage and that the District could ask Ms. Spurlock to replenish the pond with her private water well. It was Board consensus to

provide utility service to Ms. Spurlock in exchange for the sanitary sewer easement. Ms. Zapletal reported that Mr. Wheless has obtained 15 of the 17 signatures for the sanitary sewer easement for the Wheless property.

Ms. Zapletal reported on the Atascocita Joint Operations Board. She reported that bids were received for the lift station compactor. She reported that BGE recommended award to R&B Group, Inc. in the amount of \$153,000. Ms. Zapletal reported that installation is expected to take six to eight weeks.

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. 1 from C. E. Barker, Ltd. in the amount of \$62,502.71 and Pay Estimate No. 2 from C.E. Barker, Ltd. in the amount of \$55,932.89 for the Olympic Village Storm Sewer Rehabilitation, Phase II; to approve payment of Pay Estimate No. 1 from Schier Construction in the amount of \$21,600.00 for the Hydropneumatic Tank Addition at Water Plant No. 1; to approve Change Order No. 2 for a 21 day extension to the contract period for the Hydropneumatic Tank Addition at Water Plant No. 1; to authorize BGE to notify the Waldens Homeowner Association of the situation and the District's efforts to pursue acceptance of the infrastructure of Pines of Atascocita, Section Four; and to approve providing service to Ms. Spurlock's property on West Lake Houston in exchange for the sanitary sewer easement with the terms of service to be negotiated.

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

8. **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.

9. **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.

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

11. **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.

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

13. **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 "H." Mr. Burton reported that the house count has been corrected with Allied Waste and that check #3633

to Allied Waste is for the correct amount. Mr. Burton noted check #3676 to Schier Construction was covered under the Engineer's Report. Mr. Burton reported that check #3678 is for the arbitrage report for the District's Bonds, Series 2004.

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

14. **Adopt budget for fiscal year ending March 31, 2011.** Mr. Burton reviewed with the Board the proposed budget for fiscal year ending March 31, 2011, included in the Bookkeeper's 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 budget for fiscal year ending March 31, 2011.

15. **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 "I."

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

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

16. **Cancel Election and Adopt Order Declaring Unopposed Candidates Elected to Office.** Mr. Thomas stated that all candidates were unopposed and reviewed with the Board an Order Declaring Unopposed Candidates Elected to Office, a copy of which is attached hereto as Exhibit "J." 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 Order, thereby canceling the 2010 Directors Election and declaring the unopposed candidates, Directors Soliz and Waters, elected to office.

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

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

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

20. **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 April 21, 2010.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors  
(DISTRICT SEAL)

