

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153
March 16, 2011

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, March 16, 2011, 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 Claytor 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 of Brown & Gay Engineers, Inc. ("BGE"), engineer 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 16, 2011.** Minutes of the meeting of February 16, 2011, 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. **Developer's Report.** The Vice President recognized Mr. Zabaneh, who reported that seventeen new homes have sold or are under contract in Waterhaven.

4. **Proposed water and sanitary sewer contract between Harris County Municipal Utility District No. 494 and Harris County Municipal Utility District No. 153.** This item was deferred.

5. **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 February, a copy of which is attached hereto as Exhibit "B." Mr. Comeau reported that 95% of the District's 2010 taxes had been collected as of February 28, 2011. Mr. Comeau reported that e-checks were utilized this year three times as often as credit card payments were utilized last year.

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 the Tax Assessor-Collector's Report and to authorize the expenditures listed therein.

6. **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 "C." Mr. Burton reported that check #4148 payable to S.T.P. Services is for the booster pump repair. He reported that check #4151 payable to The Texas Network, Corp. is for the District's web site. Mr. Burton reported that check #4153 to the Texas Commission on Environmental Quality ("TCEQ") is for the Bond Application filing fee. Mr. Burton reported that check #4150 would be voided because it was for a Harris County Municipal Utility District No. 494 invoice.

Mr. Burton reported that the March 1, 2011, debt payment was made. He reported that several Certificates of Deposit ("CD") were purchased and additional CDs will be purchased.

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

7. **Adopt budget for fiscal year ending March 31, 2012.** The Vice President recognized Mr. Burton, who reviewed the proposed budget for fiscal year ending March 31, 2012, included in the Bookkeeper's Report. Mr. Hastings reported that meter replacement costs will probably exceed \$5,000 and suggested increasing the expense to \$10,000.

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 budget for fiscal year ending March 31, 2012 with the change of Meter Replacement expense to \$10,000.

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

Mr. Zabaneh reported on the Waterline Rehabilitation Phase One. He reported that BGE met with the City of Houston to review the preliminary layouts of the proposed

rehabilitation in Golfers Village and Olympic Village. Mr. Zabaneh reported that BGE is conducting the field survey and establishing boundary controls for the project. Mr. Zabaneh requested that Director Waters notify the Walden on Lake Houston Club of the upcoming survey work.

Mr. Zabaneh reported on the Bond Application Report. He reported that BGE is preparing the draft Bond Application Report for the District consultants to review and provide input.

Mr. Zabaneh reported on the Pines of Atascocita, Section 4, Punchlist Repairs. He reported that Harris County Public Infrastructure Department confirmed that there are no additional items to correct following the informal re-inspection conducted the week of March 7. Mr. Zabaneh reported that BGE is waiting for Harris County Commissioners Court to approve the bond cancellation letter. Mr. Zabaneh recommended Board approval of payment of Pay Estimate No. 3 and Final in the amount of \$35,047.50 to D and J Construction, Inc. with release of the payment upon receipt of contractor's final signature.

Mr. Zabaneh reported that Harris County Municipal Utility District Nos. 106 and 290 ("Eagle Springs") withdrew their request for an emergency water interconnect with the District at this time.

Mr. Zabaneh requested Board authorization of the Order Authorizing the Application to Issue Bonds.

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 the Engineer's Report and to authorize payment of Pay Estimate No. 3 and Final in the amount of \$35,047.50 to D and J Construction, Inc. with release of the payment upon receipt of contractor's final signature for the Pines of Atascocita, Section 4, Punchlist Repairs.

9. Approve Resolution Authorizing Application for TCEQ Approval of Bond Issuance. The Vice President recognized Mr. Thomas, who presented to and reviewed with the Board the Resolution Authorizing Application for Expedited Consideration of Approval by the TCEQ of Project and Issuance of Bonds and Requesting Waiver of Certain Requirements of Texas Administrative Code ("Resolution") and Application for Expedited Consideration of Approval by the TCEQ of Project and Issuance of Bonds and Requesting Waiver of Certain Requirements of Texas Administrative Code ("Application"), a copy of which is attached hereto as Exhibit "E."

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 Resolution and Application.

10. Atascocita Joint Operations Board report. Director Clarey reported that the AJOB board discussed the importance of not charging the AJOB utility districts inappropriately for Harris County Municipal Utility District No. 494 ("MUD 494") consultant costs. Mr. Zabaneh reported that MUD 494 has paid a \$25,000 deposit for consultant costs for negotiating agreements with AJOB and the District.

11. **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 "F."

Mr. Hastings reviewed the Termination List and Write-Off List, included in the Operations Report.

Mr. Hastings reviewed the Texas Department of State Health Services Laboratory Analysis Report, included in the Operations Report. Mr. Hastings reported that all of the District's water laboratory results were satisfactory.

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 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.

12. **Other matters.** The Vice President reported that the Atascocita Middle School tennis court rehabilitation will begin soon and the Maplebrook Elementary School ribbon cutting ceremony for the playground is expected to occur in the near future.

13. **Next Meeting Date.** It was the consensus of the Board to hold the next monthly Board meeting on April 20, 2011 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 April 20, 2011.

Sam B Claff
President, Board of Directors

ATTEST:

Wally A. Chung
Secretary, Board of Directors

(DISTRICT SEAL)

