

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153
October 21, 2015

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 the offices of Norton Rose Fulbright, 1301 McKinney, Houston, Texas 77010, at 11:30 a.m. on Wednesday, October 21, 2015, whereupon the roll was called of the members of the Board, to-wit:

Sam Claytor, Jr., President
Rick Soliz, Vice President
Alan Waters, Treasurer
Ed Cocetti, Secretary
Ed Wilcox, Assistant Secretary

All members of the Board were present, except Director Waters. Also attending all or portions of the meeting were Mr. Mike Williams of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; Mr. Matt Froehlich 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; Ms. Michelle Guerrero of Bob Leared Interests, tax assessor-collector for the District; Mr. Mark Cervantes of Van De Wiele & Vogler, Inc., engineer for Merrylands Interests; Ms. Linda Loup of Public Finance Group, LLC, financial advisor for the District; Mr. Jamal Singleton of Direct Waste Solutions; and Mr. Neil Thomas and Ms. Yvette Deitrick of Norton Rose Fulbright US LLP ("NRF"), 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 September 16, 2015. Minutes of the meeting of September 16, 2015, previously distributed to the Board, were presented for consideration and approval. Upon motion by Director Cocetti, seconded by Director Soliz, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes as presented.

2. Public Comments. The President recognized Mr. Singleton, who presented to and reviewed with the Board the summary of services provided by Direct Waste Solutions, a copy of which is attached hereto as Exhibit "B." Mr. Singleton reported that Direct Waste Solutions standard agreements are for three or five year terms. He estimated that Direct Waste Solutions could serve the District for an estimated cost between \$12.50 and \$14.50 per home per month. Mr. Singleton reported that Direct Waste Solutions provides 18-gallon collection bins for recycling collection. The Board discussed having a larger recycling collection bin. Director Soliz stated that the current recycling collection bin is 96 gallons. The Board requested Mr. Singleton provide a proposal to serve the District for review.

3. Convene Public Hearing on Proposed Tax Rate for 2015. The President convened the public hearing on the proposed tax rate for 2015. There was no public in attendance. The President closed the hearing.

4. Adopt Order Setting Tax Rate and Levying Tax for 2015. Ms. Loup presented to the Board the Comparison of Historical Assessed Valuations and Tax Rates, a copy of which is attached hereto as Exhibit "C." Mr. Thomas presented to and reviewed with the Board the Order Setting Tax Rate and Levying Tax for 2015, a copy of which is attached hereto as Exhibit "D." Mr. Thomas informed the Board that its adoption of the Order would levy the District's ad valorem tax for 2015. Ms. Guerrero reported that the notice of public hearing was published.

Upon motion by Director Wilcox, seconded by Director Cocetti, after full discussion and the question being put to the Board, the Board voted unanimously to Adopt the Order Setting Tax Rate and Levying Tax for 2015 with a total tax rate of \$0.451 per \$100 assessed valuation, comprised of a rate of \$0.3835 for debt service and \$0.0675 for operation and maintenance expenses.

5. Approve Amended District Information Form. The President recognized Mr. Thomas, who presented to and reviewed with the Board the Amendment to Amended and Restated District Information Form, a copy of which is attached hereto as Exhibit "E." Mr. Thomas reported that this document is recorded in the Harris County Real Property Records to provide notice to purchasers of property in the District of the current tax rate in the District.

Upon motion by Director Wilcox, seconded by Director Cocetti, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Amendment to Amended and Restated District Information Form and authorize filing in the Harris County Real Property Records.

6. Tax Assessor and Collector's Report, status of delinquent tax accounts, and payment of bills. Ms. Guerrero presented to and reviewed with the Board the Tax Assessor-Collector's Report for September, a copy of which is attached hereto as Exhibit "F." Ms. Guerrero reported that as of September 30, 2015, 99.3% of the District's 2014 taxes had been collected.

Ms. Guerrero presented the Delinquent Tax Report prepared by Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), a copy of which is attached hereto as Exhibit "G." Ms. Guerrero noted that Perdue did not request any actions by the Board.

Upon motion by Director Cocetti, 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.

7. Bookkeeper's Report, Investment Report, payment of bills and take any necessary action. Mr. Burton 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 check no. 2293 to E. P. Brady, Ltd. in the amount of \$848,919.99 is for Pay Estimate Nos. 5 and 6. He reported that check no. 2295 to Peltier Brothers Construction, Ltd in the amount of \$111,150.00 is for Pay Estimate No. 1.

Upon review of the Account Balances, Mr. Burton reported that Certificates of Deposit were purchased for the General Fund at First State Bank, Texas Capital Bank and Pioneer Bank.

Upon motion by Director Wilcox, seconded by Director Cocetti, 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. Developer's Report. Mr. Froehlich reported on The Bridges at Lake Houston development. Mr. Froehlich reported that D. R. Horton is proceeding with utilities construction in Sections Five and Six.

Mr. Froehlich reported on Merrylands development. Mr. Cervantes reported that Merrylands has not received clearance from the U.S. Army Corps of Engineers ("USACE") to proceed on the clearing and grubbing.

Mr. Froehlich reported that BGE is revising the survey documents for the 2.95 acre annexation to reflect the split and sale of the tract. He reported that the annexation submittal will proceed once the sale is final.

9. Engineer's Report, including review of Engineer's projects, and capital repairs. Mr. Froehlich presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "I."

Mr. Froehlich reported that Harris County Municipal Utility District No. 494 ("MUD 494") used approximately 4,500,000 gallons of water in August and 3,000,000 gallons of water in September. He reported that MUD 494's water usage is not in accordance with the water allocation detailed in the Water Supply and Sanitary Sewer Agreement between the District and MUD 494. Mr. Froehlich reported that BGE will send a letter to MUD 494 regarding MUD 494's excessive water usage.

Mr. Froehlich reported on Water Plant No. 2 construction. He reported that clearing and grubbing of the site is complete. Mr. Froehlich reported that the revised construction schedule shows completion is expected in July or August 2016. Mr. Froehlich reported that a temporary construction access easement is required from MUD 494 while the permanent access road from West Lake Houston Parkway is being completed. Mr. Froehlich requested Board acceptance of the Temporary Construction Access Easement included in the Engineer's Report.

Mr. Froehlich reported that construction of Lift Station No. 4 is approximately 90% complete. He recommended payment of Pay Estimate No. 6 from Quadvest Construction in the amount of \$91,926.90 for construction of Lift Station No. 4.

Mr. Froehlich reported on the offsite utilities construction. Mr. Froehlich reported that construction is about 90% complete. He recommended payment of Pay Estimate Nos. 5 and 6 from E. P. Brady in the amounts of \$568,497.68 and \$280,422.31, respectively, for the offsite utilities construction. Mr. Froehlich reported that due to existing private utilities, the water line connection at Aerobic Drive has to be re-routed through the Community Services Association ("CSA") landscape reserve. Mr. Froehlich reported that BGE will coordinate the necessary water line easement with the CSA.

Mr. Froehlich reported on the Harris County Municipal Utility District No. 152 and District Lift Station Expansion. He reported that construction is about 90% complete. He recommended payment of Pay Estimate No. 1 from Peltier Brothers in the amount of \$111,150.00 for the Harris County Municipal Utility District No. 152 and District Lift Station Expansion.

Mr. Froehlich reported on the Harris County Municipal Utility District No. 132 Lift Station No. 1 improvements. He reported that the Notice to Proceed was issued on June 22, 2015, and that the construction is underway.

Mr. Froehlich provided an update on the connection count computation. He reported that based on the recent water well test, the District can provide water for 3,538 equivalent single family connections ("ESFC"), and wastewater treatment for 5,183 ESFC. Mr. Froehlich reported that the District currently serves 2,961 ESFC.

Mr. Froehlich reported on the Atascocita Joint Operations Board meeting. Mr. Froehlich reported that DryLet is waiting upon receipt of the approval letter from the Texas Commission on Environmental Quality to begin phase two of the testing.

Upon motion by Director Cocetti, 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 accept the Temporary Construction Access Easement from MUD 494 for the Water Plant No. 2 access road construction; to approve payment of Pay Estimate No. 6 from Quadvest Construction in the amount of \$91,926.90 for construction of Lift Station No. 4; to approve payment of Pay Estimate Nos. 5 and 6 from E. P. Brady in the amounts of \$568,497.68 and \$280,422.31, respectively, for the offsite utilities construction; to authorize BGE to coordinate a water line easement with the CSA for the offsite utilities; and to approve payment of Pay Estimate No. 1 from Peltier Brothers in the amount of \$111,150.00 for the Harris County Municipal Utility District No. 152 and District Lift Station Expansion.

10. Atascocita Joint Operations Board report. Director Cocetti reported that preparation of the AJOB annual audit costs \$15,000. Director Cocetti reported that the AJOB Agreement specifies that an annual audit will be prepared. Director Cocetti questioned the requirement and need for the AJOB audit excluding the requirements of the AJOB Agreement.

11. Operator's Report and hearing on delinquent accounts. Mr. Williams presented to and reviewed with the Board the Operations Report, a copy of which is attached hereto as Exhibit "J."

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

Upon motion by Director Cocetti, 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, and to terminate the delinquent accounts in accordance with the District's rate order.

12. Other matters. No action was taken on this item.

13. Next Meeting Date. It was the consensus of the Board to hold the next monthly Board meeting on November 18, 2015, at 11:30 a.m. at the offices of Norton Rose Fulbright, 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 November 18, 2015.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

