

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153  
December 16, 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, December 16, 2015, whereupon the roll was called of the members of the Board, to-wit:

Sam Claytor, Jr., President  
Rick Soliz, Vice President  
Ed Cocetti, Secretary  
Ed Wilcox, Assistant Secretary  
Vacant

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. Matt Froehlich 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; 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; 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 November 18, 2015.** Minutes of the meeting of November 18, 2015, previously distributed to the Board, were presented for consideration and approval. 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 minutes as presented.

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

3. **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 November, a copy of which is attached hereto as Exhibit "B." Ms. Guerrero reported that as of November 30, 2015, 5.4% of the District's 2015 taxes had been collected.

Ms. Guerrero asked the Board if it wanted to authorize an aerial photograph of the District in January 2016 to document the value in the District.

Upon motion by Director Cocetti, seconded by Director Wilcox, 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. The Board decided it did not need an aerial photograph of the District.

**4. 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 "C." Mr. Burton reported that check no. 6528 to Arbitrage Compliance Specialists, Inc. is for the preparation of the arbitrage report. Mr. Burton reported that check no. 6529 to the Association of Water Board Directors is for the annual membership dues. He reported that check no. 6531 to Bob Leared Interests is for the sales tax audit.

Mr. Burton reported on Capital Project Fund expenditures. He reported that check no. 2302 to Gemini Contracting Services, Inc. in the amount of \$310,050.00 is for Pay Estimate No. 1 for construction of Water Plant No. 2.

Mr. Burton reported on Special Revenue Fund expenditures. He reported that check no. 1089 to S.T.P. Services is for rebuild of the water well motor. Mr. Burton reported that check no. 1096 to Harris County Municipal Utility District No. 152 is for water provided while the water well was not operating.

Upon motion by Director Cocetti, seconded by Director Wilcox, 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.

**5. Developer's Report.** Mr. Cervantes reported receipt of the U.S. Army Corps of Engineers ("USACE") determination on the environmental site assessment for Merrylands. He reported that the USACE determined that two of the most eastern ponds are wetlands. Mr. Cervantes reported that Merrylands will need to obtain permits to construct in those areas.

Mr. Froehlich reported on The Bridges at Lake Houston development. Mr. Froehlich reported that 79 homes are occupied in The Bridges at Lake Houston.

Mr. Froehlich reported that the Rosewood Funeral Home annexation request was submitted to the City of Houston.

Mr. Froehlich reported that the 2.95-acre annexation will proceed when the sale to split the tract is complete.

**6. 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 "D."

Mr. Froehlich reported that the attorney for Harris County Municipal Utility District No. 494 ("MUD 494") informed BGE and NRF that D. R. Horton plans to lease the use of 150 connections from Academy Development (Merrylands). He reported that the lease will increase MUD 494's connections to 300. Mr. Froehlich reviewed his letter to MUD 494 regarding 494's water usage exceeding the Water Supply and Sanitary Sewer Agreement, included in the Engineer's Report. He noted that the letter requests that MUD 494 not install additional connections until an agreement is in place for lease of Academy Development's 150

connections and provided to the District. Mr. Froehlich reported that all future development water demands will be met after completion of Water Plant No. 2. Mr. Froehlich reported that MUD 494 is also researching a private water well for irrigation purposes. He reported that Water Plant No. 2 construction is expected to be complete in July or August of 2016.

Mr. Froehlich reported on the Water Plant No. 2 construction. He reported that the access road is complete and site work is underway. Mr. Froehlich recommended payment of Pay Estimate No. 1 from Gemini Contracting Services in the amount of \$310,050.00 for construction of Water Plant No. 2.

Mr. Froehlich reported on the Lift Station No. 4 construction. Mr. Froehlich reported that construction is approximately 95% complete.

Mr. Froehlich reported on the offsite utilities construction. Mr. Froehlich reported that construction is about 95% complete. He reported that the waterline will be activated soon. Mr. Froehlich reported that the West Lake Houston Parkway landscaping will be restored. He noted that the recent rains have deterred turf establishment from the hydromulch, and that it is difficult to locate sod for purchase.

Mr. Froehlich reported on the Harris County Municipal Utility District No. 152 and District Lift Station Expansion. He reported that construction is complete. He recommended payment of Pay Estimate No. 3 and Final from Peltier Brothers in the amount of \$14,990.00 for the expansion.

Mr. Froehlich reported on the Harris County Municipal Utility District No. 132 Lift Station No. 1 improvements. He reported that the construction is underway. Mr. Froehlich reported that Harris County Municipal Utility District No. 132 approved Pay Estimate No. 1 from R+B Group for \$209,700.00. He reported that the District's share of the payment is approximately \$72,640.00.

Mr. Froehlich reported that plans were submitted for two proposed medical buildings on West Lake Houston Parkway for the 2.95-acre tract that will be annexed into the District. Mr. Froehlich reported that BGE issued no objection to the proposed construction.

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 2,963 ESFC.

Mr. Froehlich reported on the Atascocita Joint Operations Board meeting. Mr. Froehlich reported that DryLet received the approval letter from the Texas Commission on Environmental Quality for phase two of the testing. He reported that DryLet expects to begin the phase two testing in mid-January.

Upon motion by Director Cocetti, seconded by Director Wilcox, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report; to approve payment Pay Estimate No. 1 from Gemini Contracting Services in the amount of \$310,050.00 for construction of Water Plant No. 2; and to approve payment of Pay Estimate No. 3 and Final from Peltier Brothers in the amount of \$14,990.00 for the Harris County Municipal Utility District No. 152 and District Lift Station Expansion.

7. **Atascocita Joint Operations Board report.** Director Cocetti reported that the method of connection count was discussed at the Atascocita Joint Operations Board ("AJOB") meeting. Mr. Froehlich reported that vacant homes had not been included for the connection count for AJOB because there is no sanitary sewer flow when a home is vacant. Mr. Froehlich reported that pursuant to the discussion at the AJOB meeting, vacant homes will now be included in the connection count computation.

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

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

Mr. Hastings reported that MOC's invoice, and the two residents' invoices have been provided to HARCO Insurance Services for the claim for the recent sanitary sewer backups.

Mr. Hastings reported that MOC relocated the sanitary sewer lines out of the manhole. He reported that MOC is checking the manholes for inflow protectors.

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 Operator's Report; to terminate the delinquent accounts in accordance with the District's rate order; and to transfer the Uncollectible Accounts to the Uncollectible Roll.

9. **Appointment of Agent for 2016 Directors Election.** Mr. Thomas presented to and reviewed with the Board the Appointment of Agent for the 2016 Directors Election, a copy of which is attached hereto as Exhibit "F." He reported that the Appointment of Agent designates Yvette Deitrick of NRF as the Secretary's agent to perform ministerial duties as specified in Election Code 31.123 for the 2016 Directors Election.

Upon motion by Director Cocetti, seconded by Director Wilcox, after full discussion and the question being put to the Board, the Board voted to approve the Appointment of Agent for the 2016 Directors Election.

10. **Discuss Director Appointment.** No action was taken on this item.

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

12. **Next Meeting Date.** It was the consensus of the Board to hold the next monthly Board meeting on January 20, 2016, 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 January 20, 2016.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)

