

MINUTES OF MEETING OF BOARD OF DIRECTORS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153  
DECEMBER 21, 2016

THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153

§  
§  
§

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 US LLP, 1301 McKinney St., Ste. 5100, Houston, Texas 77010, at 11:30 a.m. on Wednesday, December 21, 2016, 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  
Allen Roe, Assistant Secretary

All members of the Board were present, except Directors Wilcox and Soliz, thus constituting a quorum. Also attending all or portions of the meeting were Mr. Tom Mraz of HARCO Insurance Services; Ms. Barbara Nussa of Republic Services; Mr. Gary Hastings and Mike Williams of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; Mr. Jorge Bustamante and Ms. Susana Blauser of Brown & Gay Engineers, Inc. ("BGE"), engineers for the District; Mr. Mark Cervantes of Van De Wiele & Vogler, Inc., engineer for Merrylands Interests; Ms. Cynthia Colandres 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; and Mr. Neil Thomas and Ms. Brenda Presser 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. **Public Comments.** There were no public comments.
2. **Minutes of the meeting of November 16, 2016.** Minutes of the meeting of November 16, 2016, previously distributed to the Board, were presented for consideration and approval. Upon motion by Director Cocetti, seconded by Director Roe, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes as presented.
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 September, a copy of which is attached hereto as *Exhibit B*. Ms. Guerrero reported that 5.5% of the District's 2016 taxes had been collected as of November 30, 2016.

Ms. Guerro noted check number 1192 to Houston Community Newspapers in the amount of \$405.00 for publication of the District's Notice of Public Hearing to Levy 2016 Tax.

She stated that a new page has been added on the last page of the report that reflects annexations by tax year.

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

**4. Bookkeeper's Report, Investment Report, payment of bills, and take any necessary action.** Ms. Colandres presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as *Exhibit C*. Ms. Colandres reviewed disbursements from the General Operating Fund and reported that the amounts for check numbers 7071 through 7077 have been left blank pending receipt of invoices for garbage, utilities, telephone, shared lift station expenses due to Harris County Municipal Utility District No. 132, water purchase from Harris County Municipal Utility District No. 152, and Special Revenue Fund monthly billing. She then reviewed disbursements from the Capital Operating Fund, and Special Revenue Fund.

Ms. Colandres noted check number 7082 in the amount of \$24,000 to Humble ISD for the District's contribution to Atascocita Middle School for improvements to recreational facilities. Discussion ensued regarding allocation of funds in 2016 and 2017 for phases of the improvements. After a full discussion of the Board, it was the consensus of the Board to release the entire amount of \$24,000.

Ms. Colandres reported that check number 7061 in the amount of \$600 to Walden on Lake Houston Community Services, Inc. ("CSA") was issued for the purchase of an easement from the CSA.

Ms. Colandres stated that check number 7063 in the amount of \$4,885 to Harris-Galveston Subsidence District ("HGSD") represents the District's annual cost to sponsor Maplebrook Elementary School for HGSD's education and distribution of water conservation kits.

Upon motion by Director Cocetti, seconded by Director Roe, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, to authorize payment of the checks in the amounts and for the purposes listed therein, and approve the Amended Operating Budget for 2017.

**5. Annexation of 2.95 acres.** Ms. Presser reported that documents are under review for approval by the City of Houston. No action is requested of the Board at this time.

**6. Developer's Report.** Mr. Bustamante reviewed the Developer's Report and updated the Board on Harris County Municipal Utility District No. 494 ("494"). He reported there are 195 occupied homes, and 76 homes vacant or under construction.

Mr. Bustamante reported the owners of the 35 acres between Merrylands and West Lake Houston Parkway have requested reallocation of their committed capacity. He stated the owners have been allocated 210 connections for the 35 acres and wish to reallocate 10 connections from the 210 connections to 1.5 acres, which is a portion of the 35 acres. Discussion ensued regarding reallocation of connections already allocated and authorized by the Board. Mr. Bustamante reported that he will review this matter with Mr. Froehlich and report back to the Board.

Upon motion by Director Cocetti, seconded by Director Roe, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report, subject to further explanation of request for reallocation of allocated connections.

**7. Acceptance of 20' Water Line Easement from Walden on Lake Houston Community.** Mr. Bustamante reported that he has not received a response from the CSA on the District's offer of \$600 for a 20-foot waterline easement that the District requires in connection with the 2.95 acre annexation. He stated that he and/or Mr. Froehlich plan to attend CSA's next meeting to present the check for \$600 and receive the 20-foot waterline easement.

**8. Authorize Eminent Domain Proceeding** The President recognized Ms. Presser, who stated that in connection with the development of the Merryland's project, the District has been requested to assist with the acquisition of six properties that lie within the proposed detention area. Upon motion by Director Claytor, seconded by Director Roe, after full discussion and the question being put to the Board, the Board voted unanimously authorize NRF to facilitate the eminent domain proceeding.

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

Mr. Bustamante updated the Board on Water Plant No. 2, noting that the project is near completion and BGE continues to coordinate with CenterPoint Energy to establish permanent power at the site. He presented and recommended approval of Pay Estimate No. 11 for \$40,725.00 to Gemini Contracting Services for construction of this project.

Upon motion by Director Cocetti, seconded by Director Roe, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report, and approve Pay Estimate No. 11 for \$40,725.00 to Gemini Contracting Services for Water Plant No. 2 construction.

**10. Atascocita Joint Operations Board ("AJOB") report.** Mr. Cocetti reported that AJOB is under budget and there are no further updates to report.

**11. Discuss insurance policy for sewage back-up.** Mr. Mraz discussed the appeal that was filed to TML and subsequently denied. Discussion ensued regarding information provided in the appeal that may have been inaccurate. The Board discussed filing another appeal with updated and corrected information. Mr. Mraz stated that he will be happy to prepare and file additional appeal on the District's behalf. Further discussions included endorsement over home owners' policies, decline back-up sewage coverage upon renewal of current policy, and history of claims for similar incidents. After a full discussion by the Board, the Board directed the District's engineer and operator to coordinate to provide sufficient and accurate information to Mr. Mraz for preparation of another appeal to TML regarding the sewage

back-up related to the state of Harris County Municipal Utility District 132's lift station and operational capacity at the time of the sewage back up.

12. **Discuss service to Spurlock property and notice to Verizon regarding District easement.** Mr. Thomas reported that he has not heard back from Ms. Spurlock since she had requested a contact name to serve notice for suit and has no further updates to report.

13. **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*. He reported that the District billed 92.5% of its pumped water for the period October 26, 2016 through November 28, 2016. Mr. Hastings reviewed the Termination List and Uncollectible Accounts List, included in the Operations Report, and requested the Board's authorization to transfer five uncollectible accounts to the uncollectible roll.

The Board expressed its gratitude for Mr. Hastings' service to the District as he reduces his workload to transition into pre-retirement mode. They also expressed looking forward to working with Mr. Williams in place of Mr. Hastings.

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

14. **Republic Services Report.** The President of the Board recognized Ms. Nussa, who presented to and reviewed with the Board the 2016 November Report, a copy of is attached as *Exhibit F*. Discussion ensued regarding issues in the District related to trash pick-up. Ms. Nussa discussed transmitting the Republic Services Report to NRF to include with the agenda packet for review prior to the meeting.

15. **Other matters.** No other matters were presented to or discussed by the Board.

16. **Next Meeting Date.** It was the consensus of the Board to hold the next monthly Board meeting on January 18, 2017, at 11:30 a.m. at the offices of Norton Rose Fulbright, 1301 McKinney, Ste. 5100, Houston, Texas 77010.

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

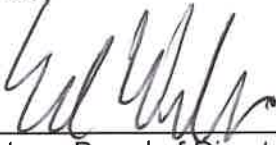
\* \* \*

The foregoing minutes were passed and approved by the Board of Directors on January 18, 2017.



\_\_\_\_\_  
President, Board of Directors

ATTEST:



\_\_\_\_\_  
Secretary, Board of Directors

