

MINUTES OF MEETING OF BOARD OF DIRECTORS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 153
April 20, 2016

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 US LLP, 1301 McKinney, Houston, Texas 77010, at 11:30 a.m. on Wednesday, April 20, 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
Vacant

All members of the Board were present, except Director Claytor. 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"), 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; 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. **Minutes of the meeting of March 16, 2016.** Minutes of the meeting of March 16, 2016, previously distributed to the Board, were presented for consideration and approval. 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 minutes as presented.

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

3. **Appointment and Qualification of Directors.** Mr. Thomas reported that the Board approved an Order Declaring Unopposed Candidates Elected to Office at last month's meeting, which declares unopposed candidates elected as directors. He stated that no action is required of the Board on this matter.

4. **Authorize Order Authorizing Unlimited Tax Refunding Bonds, Series 2016, a Transfer and Paying Agency Agreement, and a Bond Purchase Agreement, Authorizing Officials to Approve the Amounts, Interest Rates, Prices and Terms Thereof and Certain**

Other Matters Relating Thereto, and Other Matters in Connection Therewith (the "Order").

Mr. Thomas discussed and explained Internal Revenue Service regulations associated with advance refunding of the District's debt would delay the sale of the Bonds until May. He then presented to and reviewed with the Board the Order, a copy of which is attached hereto as "Exhibit B." 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 adopt the Order as presented.

5. Compilation and filing of Continuing Disclosure Materials. Mr. Thomas reported the District is required to annually report updated financial information on the District's outstanding bonds. He requested that the Board authorize the District's Financial Advisor to prepare necessary documents and electronically file with the Municipal Securities Rulemaking Board. 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, to authorize the District's Financial Advisor to prepare and electronically file the appropriate documents as requested.

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 March, a copy of which is attached hereto as Exhibit "C." Ms. Guerrero reported that as of March 31, 2016, 97.6% of the District's 2015 taxes had been collected. Ms. Guerrero reported that the delinquent tax statements were distributed this week. 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.

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 "D." Mr. Burton reported that check no. 6649 to Atascocita Middle School is for fence work.

Mr. Burton noted that revenues are up because capacity payments from No. 494 and increased maintenance tax revenues.

Mr. Burton discussed rates at Texas Class versus Compass Bank and requested the Board's authorization to move the District's money market funds from the Operating, Capital Projects, and Debt Service Funds from Compass Bank to Texas Class.

Upon motion by Director Wilcox, seconded by Director Soliz, 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 listed therein, and authorize the bookkeeper to transfer the money market funds in the District's Operating, Capital Projects, and Debt Service Funds from Compass Bank to Texas Class.

8. Developer's Report. Mr. Froehlich stated there are no updates to report on Bridges on Lake Houston and reported that 115 homes are occupied.

Mr. Froehlich reported that the Merrylands' clearing and grubbing operations are completed. He presented and requested approval for payment of Pay Estimate No. 3 from K&K Tree and Tractor Services in the amount of \$45,000.

Mr. Froehlich updated the Board on the 2.95-acre annexation, reporting that the sale and split of the property is complete. He stated that BGE will coordinate with the District's attorney and property owners to complete the consent application for submission to the City of Houston.

Board action on items presented under the Developer's report will be considered under the Engineer's Report.

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 "E."

Mr. Froehlich reported on Water Plant No. 2 construction. He reported that the contractor continues to make good progress. Mr. Froehlich presented and recommended payment of Pay Estimate No. 4 from Gemini Contracting Service, Inc. in the amount of \$513,387.00 for Water Plant No. 2 construction.

Mr. Froehlich reported that a quote has been received from a fence contractor in connection with Rosewood Funeral Home's ("RFH") request to relocate the front fence along West Lake Houston Parkway relating to the construction of Lift Station No. 4. He stated the quote has been sent to RFH and a response has not been received.

Mr. Froehlich reported on the offsite utilities construction. He stated that that BEG has completed the metes and bounds for the easement from the Community Service Association ("CSA") for the waterline tie-in at Aerobic Drive and have forwarded them to the Attorney to draft the easement document. Mr. Froehlich reported that BGE has not successfully received any quotes from landscaping contractors to complete the restoration of the CSA landscaped areas disturbed during construction. Mr. Froehlich discussed irrigation issues associated with the landscape restoration.

Mr. Froehlich reported on expiring Storm Water Quality Permits ("SWQ"), noting that Waterhaven's SWQ permit expires on May 2, 2016. He presented the Waterhaven SWQ permit renewal application for execution and approval.

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 Developer's and Engineer's Reports; to approve payment of Pay Estimate No. 3 from K&K Tree and Tractor Services in the amount of \$45,000.00 for Merryland's clearing and grubbing operations; Pay Estimate No. 4 from Gemini Contracting Service, Inc. in the amount of \$513,387.00 for Water Plant No. 2 construction; and approve and authorize execution and filing of Waterhaven's SWQ permit.

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 assignment of connections by Merryland Interests, Ltd. to MUD 494.

10. Atascocita Joint Operations Board report. Mr. Froehlich reported the BGE has solicited bids for the paving improvements at the plant.

11. 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 "F."

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

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 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.

12. Other matters. Mr. Wilcox reminded the Board of the AWBD breakfast on Friday, April 22, 2016.

13. Next Meeting Date. It was the consensus of the Board to hold the next monthly Board meeting on May 18, 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 May 18, 2016.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

