

MINUTES OF MEETING OF BOARD OF DIRECTORS
NOVEMBER 29, 2006

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 152

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 152 (the "District") met in special session, open to the public, at the offices of Fulbright & Jaworski L.L.P., 1301 McKinney, Houston, Texas at 1:30 p.m. on Wednesday, November 29, 2006, whereupon the roll was called of the members of the Board, to wit:

Kelly Cline, President
Doug Walker, Vice President
Jim Shaver, Secretary
Charlie Crocker, Assistant Secretary
Ernest Bezdek, Assistant Secretary

Persons Attending. All members of the Board were present except Director Bezdek. Also attending all or parts of the meeting were Ms. Robin Humphrey of Wheeler & Associates, tax assessor and collector for the District; Ms. Sheila Stedman of Myrtle Cruz, Inc., bookkeeper for the District; Mr. Carlton McDevitt of Severn Trent Environmental Services, Inc. ("ST"), operator for the District; Mr. Teague Harris of Pate Engineers, engineer for the District; and Ms. Jana Cogburn and Ms. Carla Christensen of Fulbright & Jaworski L.L.P. ("F&J"), attorneys for the District.

Call to Order. The President called the meeting to order and, in accordance with notice posted pursuant to law, copies of the certificates of posting of which are attached hereto as Exhibit "A," the following business was transacted:

1. **Minutes.** The Board considered the proposed minutes of the meeting of October 25, 2006, copies of which were previously distributed to the Board. Upon motion by Director Crocker, seconded by Director Shaver, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of October 25, 2006, as presented.

2. **Review Operations Report and authorize repairs.** Mr. McDevitt reviewed the Operations Report for October, 2006, a copy of which is attached hereto as Exhibit "F." Mr. McDevitt reported that 94.45% of the water pumped was billed for the month ending October 19, 2006.

Mr. McDevitt reported that ST has obtained (on behalf of the District) an amended permit from the Harris Galveston Coastal Subsidence District, but such amendment is not reflected on the report.

Mr. McDevitt noted that Clearwater Utilities caused a water leak during construction near West Lake Houston Parkway and will be billed for the costs of the repairs.

Mr. McDevitt presented to and reviewed with the Board a status report in connection with the sanitary sewer line point repairs, a copy of which is attached hereto as Exhibit "C."

Mr. McDevitt requested permission to turn over to collections eight accounts in the aggregate amount of \$662.48 and to write off three accounts totaling \$26.96.

Upon motion by Director Walker, seconded by Director Crocker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report, to authorize termination of service to the delinquent accounts, and to authorize ST to turn eight accounts in the aggregate amount of \$662.48 over to collections and to write off three accounts totaling \$26.96.

3. **Review Tax Collector's Report and authorize payment of certain bills.** Ms. Humphrey presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of October 2006 and the delinquent tax report, copies of which are attached hereto as Exhibit "D." Ms. Humphrey noted that 96.55% of the District's 2005 taxes had been collected as of October 31, 2006. Upon motion by Director Shaver, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report and to authorize payment of check numbers 2955 through 2958 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

4. **Review Bookkeeper's Report and authorize payment of bills.** Ms. Stedman presented to and reviewed with the Board the Bookkeeper's Report and the Investment Report for the month of October 2006, copies of which are attached hereto as Exhibit "E."

Ms. Stedman noted that one of the District's certificate of deposits ("CD") is expiring. Discussion ensued.

Upon motion by Director Crocker, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, to approve the Investment Report, to authorize the Bookkeeper to renew the expiring CD for six months with Texas Community Bank bearing interest at 5.75%, and to authorize payment of check numbers 5472 through 5505 from the General Operating Account and check numbers 1152 and 1153 from the Capital Projects Account to the persons, in the amounts, and for the purposes listed in such report.

5. **Adopt Resolution Authorizing Bookkeeper to Sign Disbursements and authorize payment of utility bills, deposit refunds and any other necessary invoices for December 2006.** Ms. Cogburn reviewed with the Board the Resolution Authorizing Bookkeeper to Sign Disbursements, a copy of which is attached hereto as Exhibit "F." Extensive discussion ensued. Upon motion by Director Crocker, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution Authorizing the Bookkeeper to Sign Disbursements and to authorize payment of utility bills and deposit refunds for December 2006.

Ms. Stedman noted that she will open a separate checking account for disbursements signed by the bookkeeper.

6. **Engineer's Report.** The President recognized Mr. Harris, who presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "G."

Mr. Harris reported that the construction plans are complete for the proposed water and sewer line extensions along West Lake Houston Parkway and Will Clayton Parkway to serve the 34.7 acre-tract owned by Vernon Veldekens and Mark Wimberly. Mr. Harris stated that Pate will advertise for bids for the project upon the Board's approval.

Mr. Harris reported that Mr. Curtis Braum of Harris County Flood Control District ("HCFCD") has confirmed that the necessary channel repair has been included on HCFCD's project list. Mr. Harris noted that the necessary repair is a substantial project and will be contracted out.

Mr. Harris reported that Humble ISD has re-graded and seeded the third Atascocita High School detention basin and has installed approximately 90% of the turf grass on all the pond side slopes.

Mr. Harris reported that Pate submitted plans for the necessary agency reviews and approvals in connection with the replacement of the motor control center at water plant no. one and the new control building. Mr. Harris inquired whether the Board is interested in obtaining bids for the replacement of the fence around water plant no. one. Discussion ensued. It was the consensus of the Board to include such project on the list of future facility improvements and rehabilitation projects.

Discussion ensued regarding the condition and appearance of the property surrounding water plant no. two. Mr. Harris stated that he will prepare a list of options for improving the property condition and appearance.

Mr. Harris stated that Pate contacted the West Harris County Regional Water Authority ("WHCRWA") regarding its current or proposed plans for conversion to surface water in the Atascocita area. Mr. Harris noted that the agreement between the District and the WHCRWA provides that no conversion to surface water will be required prior to 2015.

Mr. Harris reported that Harris County MUD No. 153 ("No. 153") has completed the installation of the emergency generator at the shared lift station with the District.

Mr. Harris reported that No. 153 would like to delay installing a water interconnect meter with the District until such time as the TCEQ has approved No. 153's request for a variance to the elevated storage requirements.

Mr. Harris presented to and reviewed with the Board a list of proposed further facility improvement and rehabilitation projects, a copy of which is attached to the Engineer's Report.

Mr. Harris reported that Pate contacted Harris County Precinct Four regarding the status of the Atasca Woods paving. Mr. Harris stated that Harris County does not have plans to pave Atasca Oaks south of Atascocita Road.

Mr. Harris noted that the District has not yet begun to utilize any wastewater treatment capacity pursuant to the Pooling Agreement. Mr. Harris noted that the District's current wastewater treatment plant capacity will serve 2,500 connections and, with the lease of capacity from Harris County MUD No. 109, the District is able to serve an additional 125 connections.

Mr. Harris noted that it appears that the District will begin to utilize the Pooling Agreement sometime next year.

Mr. Harris reported that Mr. Peilin Zhu of B&P Engineering has requested water and sewer capacity to serve a 3.0013 acre retail development (shopping center containing a 7,300 square foot restaurant and 26,380 square feet of retail space) located on Atascocita Road. Mr. Harris noted that such request would require approximately 40 equivalent single family connections. Discussion ensued regarding the plans for the development. Mr. Harris reported that B&P Engineering has informed Pate that in order for the District to provide service to such development, an easement from the Atascocita South Home Owner's Association is needed. Discussion ensued.

Mr. Harris reported that Pate is reviewing plans for the construction of four pad sites in the Orleans Square development (Mo's BBQ, Rancho Grande Restaurant, and two commercial buildings).

Mr. Harris Reported that the commercial development on West Lake Houston Parkway and FM 1960 may include a Lupe Tortilla's Restaurant.

Upon motion by Director Walker, seconded by Director Shaver, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report and to authorize the engineer to advertise for bids for the construction of the water and sewer line extensions to serve the 34.7 acre commercial tract of land at West Lake Houston Parkway and Will Clayton Parkway.

7. **Authorize capacity commitments.** Upon motion by Director Walker, seconded by Director Shaver, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of a capacity commitment letter for Mr. Peilin Zhu of B& P Engineering in connection with the 3.0013 acre retail development on Atascocita Road.

8. **Approve and authorize execution of Master Sales Agreement and Lease of Facilities (for extension of water and sanitary sewer line – Vernon Veldekens).** Mr. Harris reported that he will contact the developer regarding this matter.

9. **Approve and authorize execution of Master Sales Agreement and Lease of Facilities (for water line and storm sewers to serve Aerobic Drive and Will Clayton Parkway).** Mr. Harris reported that he will contact the developer regarding this matter.

10. **Other matters.** Discussion ensued regarding F&J's new software applications available for the District, Ringtail and extranet. It was the consensus of the Board to further discuss and take action on such item at the January 2007 Board meeting.

Director Walker noted that the District's website needs to be updated. Ms. Christensen stated that she will provide the necessary information to the website host to update the website.

Ms. Cogburn reported that the District has received a census request. It was the consensus of the Board to have F&J complete and submit such census request to the Department of Commerce.

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

* * *

The above and foregoing minutes were passed and approved by the Board of Directors on January 24, 2007.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)