

MINUTES OF MEETING OF BOARD OF DIRECTORS
DECEMBER 19, 2007

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 11:30 a.m. on Wednesday, December 19, 2007, 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 Shaver. 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 November 28, 2007, copies of which were previously distributed to the Board. Upon motion by Director Walker, seconded by Director Bezdek, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of November 28, 2007, as presented.

2. **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 November, 2007 and the delinquent tax report, copies of which are attached hereto as Exhibit "B." Ms. Humphrey noted that 98.19% of the District's 2006 taxes and 0.14% of the District's 2007 taxes had been collected as of November 30, 2007. Upon motion by Director Bezdek, seconded by Director Crocker, 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 3043 through 3046 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

In response to a question, Ms. Humphrey stated that the tax statements were mailed after the last Board meeting.

3. **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 November, 2007, copies of which are attached hereto as Exhibit "C." Upon motion by Director Bezdek, seconded by Director Crocker, 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, and to authorize payment of check numbers 5833 through 5868 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

In response to a question, Ms. Stedman reported that she did receive the check from Clearwater Utilities in the amount of \$12,032.48 in connection with the outstanding builder damages.

4. **Review Operations Report and authorize repairs.** Mr. McDevitt presented to and reviewed with the Board the Operations Report for November, 2007, a copy of which is attached hereto as Exhibit "D." Mr. McDevitt reported that 91.2% of the water pumped was billed for the month ending November 17, 2007.

Mr. McDevitt stated that he will obtain cost estimates for the installation of timers to regulate and control the pumpage at the water plants after completion of the improvements at water plant no. one.

Mr. McDevitt reported that the sanitary sewer line repairs performed by ST at 7003 Oak Walk were due to a problem in the resident's line. Mr. McDevitt stated that such repairs cost \$2,557.93. Discussion ensued. It was the consensus of the Board that ST back-bill the resident for the cost of the repairs and coordinate with the resident regarding a payment plan, if necessary.

Mr. McDevitt reported that a new District customer recently requested water service and soon after being connected filed a complaint with the District. Mr. McDevitt stated that the resident is upset because when the water service was turned on the house flooded. It was the consensus of the Board that the District is not responsible for any running water or open valves inside the home.

Mr. McDevitt inquired whether the Board would be interested in having a fire hydrant and valve survey performed. Discussion ensued.

Mr. McDevitt requested permission to turn seven accounts in the aggregate amount of \$632.14 over to collections and to write off one account in the amount of \$11.78.

Upon motion by Director Bezdek, 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 ST to prepare a proposed schedule and cost estimate for performing a fire hydrant survey, to authorize ST to proceed with a valve survey for valves older than five years, to authorize ST to turn seven accounts over to collections in the aggregate amount of \$632.14 and to write off one account in the amount of \$11.78, and to authorize termination of service to the delinquent accounts after the holidays.

5. **Discuss options for additional security at the water plant and take any necessary action in connection with same.** The Board reviewed the proposals from Kimmons

& Associates for the installation of cameras and additional security equipment at both of the water plants, copies of which are attached hereto as Exhibit "E." Discussion ensued.

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

Mr. Harris reported that the Notice to Proceed in connection with the replacement of the motor control center ("MCC") at water plant no. one was issued on June 26, 2007. Mr. Harris reported that the contractor has constructed the building and installed the MCC. Mr. Harris reported that the MCC is expected to go online tomorrow. Mr. Harris stated that the remaining work to be performed includes painting of the building and cleanup. Discussion ensued regarding the color to paint the building. It was the consensus of the Board that the building be painted light beige. Mr. Harris noted that he will bring a proposal to the next Board meeting for approval in connection with the materials testing of the MCC building foundation.

Mr. Harris reported that construction on the water and sewer line extensions to serve 34.7 acres at West Lake Houston Parkway and Will Clayton Parkway is substantially complete with the exception of some necessary clean up and hydro-mulching. Mr. Harris stated that Pate has recommended that the developer approve pay estimate no. four in the amount of \$137,262.54.

Mr. Harris reported that Pate has revised the Application to the TCEQ for Approval of Use of Surplus Funds from \$549,000 to \$523,185. Mr. Harris noted that the revised application amount is only for reimbursement relating to the construction of the (storm sewer) facilities constructed to serve Aerobic Drive and Will Clayton Parkway. Mr. Harris noted that Pate will submit the Application today. Mr. Harris noted that that once the facilities to serve acreage along Will Clayton Parkway and West Lake Houston Parkway are complete, the remaining surplus funds can be utilized for reimbursement and the District can then use funds from the General Operating fund for the balance owed to the developer.

Mr. Harris reported that Pate is continuing to monitor the Harris County Flood Control ditch in connection with the recent bank failure and desiltation project.

Mr. Harris reported that Pate has reviewed the District utility commitments and has prepared a revised utility commitment summary table, a copy of which is attached to the Engineer's Report. Mr. Harris noted that the District has approximately 305,760 gpd (955 ESFC) of available capacity after the expansion is complete. Mr. Harris stated that at least 158,160 gpd of the 305,760 should be reserved for future District needs, but the remaining 147,600 gpd could be sold to Harris County MUD No. 494's ("No. 494") in connection with its request for purchase of wastewater treatment plant capacity. Discussion ensued regarding the amount of capacity each participant in the wastewater treatment plant can sell. Director Cline reported that No. 494 submitted a letter of credit to No. 153. Ms. Cogburn stated that F&J will be drawing \$25,000 against the letter of credit for preparation of the agreement in connection with the sale of capacity. Director Cline stated that the Atascocita Joint Operations Board discussed and tentatively approved selling Plant capacity based on each participant's ownership percentage in the Plant. Discussion then ensued regarding when the Plant participants will need to pay increased costs associated with the Plant based on the new ownership percentages. Ms. Cogburn noted that the current contract does not specifically define what constitutes completion of construction.

Mr. Harris reported that Pate has completed review of the revised construction plans for a proposed Kids Playce Day Care to be located on Will Clayton Parkway (within Reserve B of Orleans Square, Section Two). Mr. Harris reported that Pate is in approval with plans, subject to the Board approving a Consent to Encroachment agreement.

Upon motion by Director Crocker, seconded by Director Bezdek, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report.

7. **Authorize capacity commitments.** Mr. Harris reported that there have been no capacity commitment requests in the last month.

8. **Approve Consent to Encroachment (Kids Playce Daycare).** The Board reviewed the Consent to Encroachment of a 20-foot sanitary sewer easement for the benefit of a Kids Playce Daycare, a copy of which is attached hereto as Exhibit "G." 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 and authorize execution of the Consent to Encroachment for Kids Playce Daycare.

9. **Approve and authorize execution of Sales Agreement and Lease of Facilities (for water and sanitary sewer line extensions to serve acreage along Will Clayton Parkway and West Lake Houston Parkway – 4.2 WCP, L.P.).** The Board reviewed the revised Sales Agreement and Lease of Facilities (for water and sanitary sewer line extensions to serve acreage along Will Clayton Parkway and West Lake Houston Parkway – 4.2 WCP, L.P.), a copy of which is attached hereto as Exhibit "H." 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 and authorize execution of the Sales Agreement and Lease of Facilities (for water and sanitary sewer line extensions to serve acreage along Will Clayton Parkway and West Lake Houston Parkway).

10. **Other matters.** There were no other matters to come before the Board.

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

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The above and foregoing minutes were passed and approved by the Board of Directors on January 23, 2008.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)