

MINUTES OF MEETING OF BOARD OF DIRECTORS  
JANUARY 24, 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 regular 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, January 24, 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. Director Walker entered the meeting in progress. 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. Matt Froehlich of Pate Engineers, engineer for the District; Mr. Noel Barfoot of McCall Gibson & Company, PLLC, auditor 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 29, 2006, copies of which were previously distributed to the Board. 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 minutes of the meeting of November 29, 2006, as presented.

Director Walker entered the meeting at this time.

2. **Approve audit for fiscal year ended September 30, 2006.** Mr. Barfoot presented to and reviewed with the Board a draft of the audit for fiscal year ended September 30, 2006, a copy of which is attached hereto as Exhibit "B." 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 audit for fiscal year ending September 30, 2006.

3. **Consider need for proposals for electricity.** Discussion ensued. It was the consensus of the Board that Ms. Stedman obtain proposals for electricity service for review at the next Board meeting.

4. **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 Reports for the months of November and December, 2006 and the delinquent tax report, copies of which are attached hereto as Exhibit "C." Ms. Humphrey noted that 97.87% of the District's 2005 taxes and 28.26% of the District's 2006 taxes had been collected as of December 31, 2006. 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 Tax Assessor and Collector's Reports and to authorize payment of check numbers 2959 through 2969 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

5. **Adopt Order Authorizing Property Tax Exemptions.** No action was taken on this item.

6. **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 December 2006, copies of which are attached hereto as Exhibit "D." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 5506 through 5549 from the General Operating Account and check number 1154 from the Capital Projects Account to the persons, in the amounts, and for the purposes listed in such report.

Ms. Stedman reported that a separate checking account (for disbursements signed by the bookkeeper) has been opened. Ms. Stedman stated that two signatures (of representatives of Myrtle Cruz, Inc.) will be required for any checks issued from such account.

7. **Review Operations Report and authorize repairs.** Mr. McDevitt reviewed the Operations Reports for November and December, 2006, copies of which are attached hereto as Exhibit "E." Mr. McDevitt reported that 83.69% of the water pumped was billed for the month ending December 18, 2006. Mr. McDevitt stated that ST has not yet determined the cause of the lower than normal water accountability.

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 "F."

Mr. McDevitt requested permission to turn over to collections nine accounts in the aggregate amount of \$933.85 and to write off one account totaling \$23.21.

Director Walker requested that the percentage of capacity utilized at each plant per month be included on the monthly report.

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 Operations Report, to authorize termination of service to the delinquent accounts, and to authorize ST to turn nine accounts in the aggregate amount of \$933.85 over to collections and to write off one account totaling \$23.21.

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

Mr. Froehlich 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. Froehlich stated that Pate advertised for bids today and bids will be received on February 14, 2007. Mr. Froehlich reported that the Pate is in the process of obtaining final approvals on the construction plans from the City of Houston and Harris County.

Mr. Froehlich reported that Mr. Jim Bereck with Harris County Flood Control District ("HCFCD") has indicated that the District's ditch is not a priority project for HCFCD, but is checking to see when the desiltation and bank failure repair can be completed.

Mr. Froehlich reported that Pate will begin advertising for bids for the replacement of the motor control center and construction of the new building at water plant no. one next week.

Mr. Froehlich reported that Pate is currently preparing a conceptual plan and cost estimate in connection with landscaping and clearing the land near water plant no. two.

Mr. Froehlich reported that Pate recommends that the District authorize the District's operator to replace existing solid plate storm sewer grates with open grates in residential areas where street ponding frequently occurs. Mr. Froehlich stated that he has provided Director Crocker with a utility map to determine the best locations for replacement of the storm sewer inlets.

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

Mr. Froehlich 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. Froehlich noted that the District has not yet begun to utilize any wastewater treatment capacity pursuant to the Pooling Agreement. Mr. Froehlich 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 in February. Director Cline noted that he will contact the engineer for the wastewater treatment plant to inform him of the District's anticipated triggering of the wastewater treatment plant pooling agreement.

Mr. Froehlich reported Pate has reviewed the plans for the construction of four pad sites in the Orleans Square development (Mo's BBQ, Rancho Grande Restaurant, and two commercial buildings) and has requested additional clarification.

Mr. Froehlich reported that the commercial development on West Lake Houston Parkway and FM 1960 is proposed to include a Lupe Tortilla's Restaurant.

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.

9. **Authorize capacity commitments.** There were no capacity commitment requests at this time.

10. **Approve and authorize execution of Master Sales Agreement and Lease of Facilities (for extension of water and sanitary sewer line – Vernon Veldekens).** It was noted that Mr. Harris previously stated that he would contact the developer regarding this matter.

11. **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).** It was noted that Mr. Harris previously stated that he would contact the developer regarding this matter.

12. **Consider and approve action authorizing electronic document recording, director access, and establishing an extranet for District directors and consultants.** Discussion ensued regarding the options in connection with the Ringtail database and Extranet website. Upon motion by Director Walker, seconded by Director Shaver, and after full discussion and the question being put to the Board, the Board voted unanimously to authorize payment for the enhanced record management services for \$1,500, to authorize F&J to proceed with loading important historical District records on the Ringtail database for an approximate cost of \$2,000, and to authorize the creation of an Extranet website for the District for \$1,000.

13. **Other matters.** Discussion ensued regarding the possibility of allowing customers to pay water bills online. Mr. McDevitt stated that he will obtain a proposal for online bill paying.

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 February 28, 2007.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)