

MINUTES OF MEETING OF BOARD OF DIRECTORS
NOVEMBER 28, 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, November 28, 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. 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; Mr. Mark Wimberly of The Betz Companies, a developer of land in 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 meetings of October 24 and November 12, 2007, copies of which were previously distributed to the Board. Director Cline stated that the November 12, 2007 minutes should reflect that two representatives of local newspapers and eight members of the public were in attendance at the meeting. 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 October 24, 2007, as presented, and the minutes of the meeting of November 12, 2007, as corrected.

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 October, 2007 and the delinquent tax report, copies of which are attached hereto as Exhibit "B." Ms. Humphrey noted that 98.03% of the District's 2006 taxes had been collected as of October 31, 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 3037 through 3042 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

Ms. Humphrey presented to and reviewed with the Board a proposed Amended Agreement for Services of Tax Assessor and Collector (Wheeler & Associates, Inc.), a copy of which is 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 and authorize execution of the proposed Amended Agreement for Services of Tax Assessor and Collector.

3. Adopt Resolution Casting Ballot for Election of Person to the Board of Director of the Harris County Appraisal District. Discussion ensued. No action was taken.

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, 2007, copies of which are attached hereto as Exhibit "D." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 5819 through 5832 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

Mr. McDevitt noted that Clearwater Utilities submitted payment, in full, to ST in connection with the outstanding builder damage amount of \$12,032.48. Mr. McDevitt stated that such check was endorsed to the District and sent to the bookkeeper. Ms. Stedman noted that the check has not yet been received. Mr. McDevitt stated that he will coordinate with the District's bookkeeper to locate the check.

5. Review Operations Report and authorize repairs. Mr. McDevitt presented to and reviewed with the Board the Operations Report for October, 2007, a copy of which is attached hereto as Exhibit "E." Mr. McDevitt reported that 99.21% of the water pumped was billed for the month ending October 18, 2007.

Mr. McDevitt stated that he will obtain cost estimates for the installation of timers to regulate and control the pumpage at each water plant.

Upon motion by Director Shaver, seconded by Director Crocker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report and to authorize termination of service to the delinquent accounts.

6. Discuss options for additional security at the water plant and take any necessary action in connection with same. Mr. McDevitt presented to and reviewed with the Board 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 "F." It was the consensus of the Board to further discuss such matter at the next Board meeting.

7. 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 "G."

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 completed the foundation work and the electrical equipment has

been delivered. Mr. Harris noted that the contractor is ready to schedule the electrical power shut down with the operator and CenterPoint. Mr. Harris stated that once the electrical shut down occurs, the contractor can complete all other necessary work in an effort to have the plant back online by Christmas.

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 noted that Change Order No. 1 has been drafted in connection with the sanitary sewer line adjustments necessitated by the restaurant encroachment in the Orleans Square development.

Mr. Harris reported that Pate is drafting the letter and obtaining the necessary documentation for the submission of the surplus funds application to the TCEQ in connection with developer reimbursement. Discussion ensued regarding whether the application should be submitted for both developer projects or for just the project that is complete. It was the consensus of the Board that the previously approved application be revised to request approval of use of surplus funds sufficient to reimburse the developers for the facilities constructed to serve Aerobic Drive and Will Clayton Parkway (approximately \$523,185). Mr. Harris noted 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 responded to Harris County MUD No. 494's ("No. 494") request for purchase of wastewater treatment plant capacity. Mr. Harris stated that Pate is currently determining the amount of excess wastewater treatment plant capacity that the District has to sell to No. 494.

Mr. Harris reported that Pate has completed initial review of the 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 stated that Pate has forwarded comments to the architect, but has not yet received revised plans.

Mr. Harris reported that Pate has reviewed and approved the construction plans for the proposed Life Time Fitness Center, pending the Board's authorization of the necessary easement abandonments and encroachment agreements.

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

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

9. **Approve and authorize the Release of Water and Sanitary Sewer Line Easements (in connection with Life Time Fitness Center).** The Board reviewed the Release of a 10-Foot Wide Water Line Easement and a 20-Foot Wide Sanitary Sewer Line Easement requested by Life Time Fitness Center, copies of which are attached hereto as Exhibits "H" and "I." 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 and authorize execution of the Release of 10-Foot Wide Water Line Easement and 20-Foot Wide Sanitary Sewer Line Easement.

10. **Approve Consent to Encroachment (Orleans Square property).** The Board reviewed the Consent to Encroachment of a 20-foot sanitary sewer easement for the benefit of a restaurant (Rancho Grande), a copy of which is attached hereto as Exhibit "J." 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 the Rancho Grande restaurant in Orleans Square.

11. **Approve Consent to Encroachment (Life Time Fitness Center).** The Board reviewed the Consent to Encroachment of a 20-foot sanitary sewer easement for the benefit of Life Time Fitness Center, a copy of which is attached hereto as Exhibit "K." 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 Life Time Fitness Center.

12. **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.).** Mr. Wimberly noted that approval of the Agreement should be deferred pending receipt of the final numbers from Harris County. Mr. Wimberly stated that he will provide the necessary information to complete the agreement prior to the next Board meeting.

13. **Discuss and take any action in connection with entering into a Strategic Partnership Agreement ("SPA") with the City of Houston.** Ms. Cogburn reported that the signed SPA was sent to the City of Houston for approval.

14. **Other matters.** It was noted that the Board rescheduled the December meeting for Wednesday, December 19, 2007 due to the holidays.

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 December 19, 2007.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)