

MINUTES OF MEETING OF BOARD OF DIRECTORS
MARCH 22, 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 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, March 22, 2006, whereupon the roll was called of the members of the Board, to wit:

Kelly Cline, President
Doug Walker, Vice President
Mike Spratlen, Secretary
Charlie Crocker, Assistant Secretary
Ernest Bezdek, Assistant Secretary

Persons Attending. All members of the Board were present except Directors Spratlen and Crocker. 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. Greg Martin, a resident of the District; 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 February 22, 2006, 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 February 22, 2006, as presented.

2. **Adopt Order Declaring Unopposed Candidates Elected to Office.** The Board reviewed an Order Declaring Unopposed Candidates Elected to Office, copies of which are attached hereto as Exhibit "B." Ms. Christensen informed the Board that the election may be canceled pursuant to the Texas Election Code since the positions are uncontested. 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 adopt the Order Declaring Unopposed Candidates Elected to Office.

3. **Review Tax Collector's Report and authorize payment of certain bills.** Ms. Murphy presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of February 2006 and the delinquent tax report, copies of which are attached hereto as Exhibit "C." Ms. Murphy noted that 88.75% of the District's 2005 taxes had been collected as of February 28, 2006. Upon motion by Director Bezdek, 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 2920 through 2925 from the Tax Account to the persons, in the amounts, and for the purposes listed therein.

4. **Engage delinquent tax attorney to enforce the collection of delinquent taxes.** Ms. Christensen noted that the District has a contract with Perdue, Brandon, Fielder, Collins & Mott, L.L.P. for the collection of delinquent taxes. 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 authorize Perdue, Brandon, Fielder, Collins & Mott, L.L.P. to collect delinquent 2006 taxes pursuant to the terms of such contract.

5. **Authorize additional 20% penalty on taxes, penalty, and interest remaining delinquent on July 1, 2006.** 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 authorize an additional 20% penalty on taxes, penalty, and interest remaining delinquent on July 1, 2006.

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 February 2006, copies of which are attached hereto as Exhibit "D."

Ms. Stedman stated that ST corrected their February invoice along with their March invoice, which are presented today for payment.

Upon motion by Director Bezdek, 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 5220 through 5249 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

7. **Approve Annual Report on Financial Information and Operating Data.** Ms. Christensen presented to the Board the Resolution Approving Annual Report of Financial Information and Operating Data, a copy of which is attached hereto as Exhibit "E." Ms. Christensen stated that the District is required to update the District's operating and financial information on an annual basis under the orders for the 2001, 2002, 2003, 2004 and 2005 bond issues. 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 Annual Report of Financial Information and Operating Data and to approve the filing of such report with all nationally recognized municipal securities information repositories and the state information depository.

8. **Review Operations Report and authorize repairs.** Mr. McDevitt reviewed the Operations Report for February, 2006, a copy of which is attached hereto as Exhibit "F." Mr. McDevitt reported that 84.0% of the water pumped was billed for the month ending February 20, 2006. Mr. McDevitt stated that the lower than normal water accountability is probably due to the leaking check valve at water plant no. two, which was recently replaced.

Mr. McDevitt reviewed with the Board two letters from residents. Mr. McDevitt stated that the letter from the residents at 7415 Fuchsia is requesting relief on their February water bill due to a leak. Mr. McDevitt stated that the second letter from the resident at 7319 Pine Bower Court is requesting that the Board waive the connection and disconnection fees due to a misunderstanding. Discussion ensued. It was the consensus of the Board to deny both requests.

Mr. McDevitt requested permission to turn over to collections five accounts totaling \$542.00.

Mr. McDevitt reported on the status of proceeding with the sanitary sewer rehabilitation within the District. In response to a question from the President, Mr. McDevitt stated that ST has recently purchased additional equipment and hired three additional individuals to staff the sanitary sewer rehabilitation.

Upon motion by Director Bezdek, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report and to authorize ST to turn five accounts totaling \$542.00 over to collections.

9. **Engineer's Report.** There was not an engineering representative present at the meeting.

10. **Authorize capacity commitments.** Ms. Christensen reviewed with the Board an assignment of capacity commitment to Vernon Veldekens for two tracts of land along Will Clayton Parkway. Ms. Christensen noted that the original capacity commitment letters were issued in May 2005. Upon motion by Director Bezdek, 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 assignment of capacity commitment letters.

11. **Discuss and take action in connection with request from Harris County MUD No. 153 (emergency power supply for shared lift station).** Discussion ensued. It was the consensus of the Board to further discuss such request at the next Board meeting with input from the District's engineer.

12. **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).** Ms. Christensen stated that she has forwarded the agreement to Elan Development and Atasca Lake Partners for approval. Ms. Christensen stated that Elan Development's attorney is in the process of reviewing the agreement. This item was deferred until the next Board meeting.

13. **Discuss and take any action in connection District website and communications.** There was no discussion on this item at this time.

14. **Discuss and take action in connection with alternate meeting locations and dates.** Extensive discussion ensued regarding options for holding "in-District" meetings. It was the consensus of the Board to hold an "information session" for District residents on the evening of Thursday, May 25, 2006 at 7:00 p.m. at Rosemont Assisted Living Center (the day after the District's May 24, 2006 Board meeting). Director Walker stated that he will coordinate with Rosemont Assisted Living Center to reserve a room for the "information session." The Board

requested that Mr. McDevitt place a statement on the April water bills notifying customers of the District's new website. The Board also requested that Mr. McDevitt place a statement on the May water bills informing the residents that the "information session" will be held on Thursday, May 25, 2006 at 7:00 p.m. at Rosemont Assisted Living Center.

15. **Renew District insurance (expires 5/1/06).** It was the consensus of the Board for Ms. Christensen to obtain a renewal insurance proposal from Harco Insurance Services.

16. **Other matters.** There were no other matters to come before the Board at this time.

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
April 26, 2006.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)