

MINUTES OF MEETING OF BOARD OF DIRECTORS
FEBRUARY 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, February 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 except Director Walker. 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; 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 January 24, 2007, copies of which were previously distributed to the Board. 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 minutes of the meeting of January 24, 2007, as presented.

2. **Consider need for proposals for electricity.** Ms. Stedman reported that she has obtained pricing from AmeriPower. Ms. Stedman stated that the District is currently paying between \$0.11 and \$0.14 per kilowatt hour ("kWh") with Reliant and that AmeriPower is offering \$0.0911 per kWh for a 15 month contract or \$0.0912 per kWh for a 24 month contract. Ms. Stedman stated that she has provided a form of contract with AmeriPower to Ms. Cogburn for review, a copy of which is attached hereto as Exhibit "B." Discussion ensued. Ms. Stedman left the room to contact AmeriPower regarding the annual savings the District will realize by switching from Reliant.

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 January, 2007 and the delinquent tax report, copies of which are attached hereto as

Exhibit "C." Ms. Humphrey noted that 89.49% of the District's 2006 taxes had been collected as of January 31, 2007.

Ms. Humphrey requested approval from the Board to move four accounts totaling approximately \$1,100.00 to the uncollectible tax roll.

Upon motion by Director Shaver, seconded by Director Bezdek, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report, to authorize payment of check numbers 2970 through 2974 from the Tax Account to the persons, in the amounts, and for the purposes listed therein, and to authorize moving four accounts totaling approximately \$1,100.00 to the uncollectible tax roll.

4. **Review Operations Report and authorize repairs.** Mr. McDevitt reviewed the Operations Report for January, 2007, copies of which are attached hereto as Exhibit "D." Mr. McDevitt reported that 85.44% of the water pumped was billed for the month ending January 19, 2007 and that ST is still in the process of determining the cause of the lower than normal water accountability for the past few months.

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 "E."

Mr. McDevitt requested permission to turn over to collections six accounts in the aggregate amount of \$497.00 and to write off two accounts totaling \$8.17.

In response to a question, Mr. McDevitt reported that in September or October 2006 Clearwater Utilities damaged a water main during construction of the water line extension to serve the school located at Aerobic and West Lake Houston Parkway. Mr. McDevitt stated that the cost of the damage totaled \$12,032.48 and such amount has not yet been paid. Mr. McDevitt agreed to determine what notifications or invoices have been sent to Clearwater Utilities for the builder damage amount.

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 termination of service to the delinquent accounts, and to authorize ST to turn six accounts in the aggregate amount of \$497.00 over to collections and to write off two accounts totaling \$8.17.

5. **Consider proposals for electricity.** Ms. Stedman reported that the District would save approximately \$12,000 annually by switching electrical providers. Discussion ensued regarding the terms of the contract. Ms. Cogburn noted that the contract is automatically renewed if the District does not notify AmeriPower of its intention not to renew the contract. 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 and authorize execution of a 24 month contract with AmeriPower at a price of \$0.0912 per kWh, subject to review of the form of contract by Ms. Cogburn.

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 January 2006, copies of which are attached hereto as Exhibit "F." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 5550 through 5576 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

7. **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 bids were received in connection with 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 the bids were higher than expected and the developer has requested that such project be re-bid to obtain better pricing.

Mr. Froehlich reported that Mr. Jim Bereck with Harris County Flood Control District ("HCFCD") has indicated that the District's ditch is on the HCFCD's list for repairs, but is not a priority project. Mr. Froehlich reported that Mr. Bereck stated that when HCFCD's crews performed the centerline dip at channel last year the entire bottom width of the channel was cleaned. Mr. Froehlich stated that Mr. Bereck has requested that the District's engineer review the current channel conditions to determine if further desilting is required.

Mr. Froehlich reported that Pate is advertising for bids this week for the replacement of the motor control center and construction of the new building at water plant no. one. Mr. Froehlich reported that the Pate has reviewed the proposed pumping schedule with the District's operator and ST believes water plant no. two will be sufficient to serve the District during the summer months if construction at water plant no. one interferes with services.

Mr. Froehlich reported that Pate has obtained an approximate cost from King of Landscapes of \$25,000 to landscape and clear land for two zones covering approximately 1.1 acres near water plant no. two. Discussion ensued. It was the consensus of the Board that Pate obtain an estimate from King of Landscapes and Lake Houston Lawn Care for clearing of the land only.

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 reported that he is coordinating with the District's operator regarding the preparation of an updated active commercial equivalent connection count in connection with tracing the wastewater treatment plant capacity.

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.

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.

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

9. **Award contract for the 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.** There was no further discussion on this matter.

10. **Approve and authorize execution of Master Sales Agreement and Lease of Facilities (for extension of water and sanitary sewer line – Vernon Veldekens).** There was no further discussion on 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 – Elan Development and Atasca Lake Partners).** There was no further discussion on this matter.

12. **Discuss and take any necessary action in connection with AWBD Summer Conference.** 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 authorize Directors to attend the AWBD Summer Conference in Corpus Christi.

13. **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 March 28, 2007.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)