

MINUTES OF MEETING OF BOARD OF DIRECTORS  
APRIL 23, 2008

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, April 23, 2008, 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 Directors Crocker and 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; 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 meeting of March 26, 2008, copies of which were previously distributed to the Board. 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 minutes of the meeting of March 26, 2008, 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 March, 2008 and the delinquent tax report, copies of which are attached hereto as Exhibit "B." Ms. Humphrey noted that 93.32% of the District's 2007 taxes had been collected as of March 31, 2008. 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 3070 through 3078 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

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 March, 2008, copies of which are attached hereto as Exhibit "C." 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 5979 through 5991 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

4. **Authorize delinquent tax attorney to enforce the collection of delinquent taxes.** Ms. Cogburn 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 Bezdek, seconded by Director Walker, 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 2007 taxes pursuant to the terms of such contract.

5. **Approve revised engagement letter with Arbitrage Compliance Specialists, Inc. and budget for same.** Ms. Cogburn reviewed with the Board a revised Engagement Letter from Arbitrage Compliance Specialists, Inc., including a proposed budget for reviewing the District's bond issues for compliance with arbitrage requirements, a copy of which is attached hereto as Exhibit "D." She noted that the estimated budget is \$5,040 (not including the cost for the necessary arbitrage calculation for the Series 2002 Bonds) and may be paid from the Capital Project Fund. Ms. Cogburn reported that Arbitrage Compliance Specialists will set up a monitoring system for the District's bond issuances and evaluate if further analysis is required. 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 engage Arbitrage Compliance Specialists to monitor the District's compliance with yield restriction requirements and to authorize the President to execute the revised engagement letter.

6. **Review Operations Report and authorize repairs.** Mr. McDevitt presented to and reviewed with the Board the Operations Report for March, 2008, a copy of which is attached hereto as Exhibit "E." Mr. McDevitt reported that 97.34% of the water pumped was billed for the month ending March 19, 2008. 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 Operations Report.

7. **Discuss and take any action regarding District Rate Order and Commercial Tap Fees.** Mr. McDevitt presented to and reviewed with the Board previous tap fee letters and a spreadsheet including the details for all previous commercial tap fees received since April, 2001, copies of which are attached hereto as Exhibit "F." Extensive discussion ensued. It was noted that ST needs to update the spreadsheet to include the amount of tap fees that should have been assessed based on the Rate Order to four customers between April 16, 2001 and June 4, 2004. Discussion ensued regarding if and how to refund any tap fee overcharges. It was the consensus

of the Board to discuss such matter at the next meeting, subject to receipt of a revised spreadsheet from ST.

8. **Discuss options for additional security at the water plant and take any necessary action in connection with same.** There was no discussion or action taken on this item at this time.

9. **Adopt Policy relating to printing notices on water bills.** 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 a formal policy stating that only messages relating directly to District matters (and approved by the Board) will be included on the District water bills.

10. **Authorize Director attendance at the AWBD Conference.** 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 authorize Director attendance at the AWBD Summer Conference in San Antonio, Texas.

11. **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 at water plant no. one was issued on June 26, 2007. Mr. Harris reported that the contractor is complete with the project and the final pay application has been submitted. Mr. Harris stated that Pate is awaiting receipt of the revised operation and maintenance manuals from the contractor prior to making a recommendation on the final pay estimate.

Mr. Harris reported that Pate has submitted the revised Application to the TCEQ for Approval of Use of Surplus Funds for \$485,975 for the Will Clayton Parkway Storm Sewer facilities. Mr. Harris reported that the application has been declared administratively complete and is currently under review.

Mr. Harris reported that Pate has prepared an application package to the TCEQ for Approval of Use of Surplus Funds in the amount of \$644,180 to reimburse the developer for construction of the water and sanitary sewer extensions along West Lake Houston Parkway and Will Clayton Parkway.

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.

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 Engineer's Report.

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

13. **Adopt Order Authorizing Application to TCEQ for Approval of Use of Surplus Funds and approve Application for same to reimburse developers (Sewer Extensions to Serve Will Clayton and West Lake Houston Parkways - \$644,180).** The Board

reviewed the draft Order Authorizing Application to TCEQ for Approval of Use of Surplus Funds and Application for same, copies of which are attached hereto as Exhibit "H." Mr. Wimberly requested that the Board consider reimbursing the three developers involved in the project separately. Discussion ensued regarding reimbursement. It was the consensus of the Board to further discuss such matter at the next Board meeting, pending Ms. Cogburn's review of the proposed language to revise the Sales Agreement and Lease of Facilities proposed by Mr. Wimberly.

14. **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 May 28, 2008.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)