

MINUTES OF MEETING OF BOARD OF DIRECTORS  
AUGUST 27, 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, August 27, 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. 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 ST Environmental Services ("ST"); Mr. Matt Froehlich of Pate Engineers, engineer for the District; Mr. Noel Barfoot of McCall, Gibson & Company, PLLC, auditor 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 July 23, 2008, 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 July 23, 2008, as presented.

2. **Engage auditor for fiscal year ending September 30, 2008.** Mr. Barfoot presented to and reviewed with the Board an auditor engagement letter for fiscal year ending September 30, 2008, a copy of which is attached hereto as Exhibit "B." Mr. Barfoot estimated that auditing fees for fiscal year ending September 30, 2008 will be between \$13,500-\$15,500. 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 McCall, Gibson & Company, PLLC to audit the District's books for the fiscal year ended September 30, 2008, and to authorize the Board President to execute the engagement letter.

3. **Discuss and take action in connection with request from Emergency Services District No. 46 ("ESD 46") regarding land for a two-bay fire station off of West Lake**

**Houston Parkway.** Director Crocker stated that he contacted ESD 46 and asked that they submit a formal request (and details) to the Board. It was noted that a formal request has not yet been received.

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 Report for the month of July, 2008 and the delinquent tax report, copies of which are attached hereto as Exhibit "C." Ms. Humphrey noted that 97.38% of the District's 2007 taxes had been collected as of July 31, 2008. 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 and to authorize payment of check numbers 3110 through 3120 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

5. **Adopt Order Designating Officer to Calculate and Publish Tax Rate.** This item was tabled, pending receipt of the 2008 certified tax rolls.

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 July, 2008, a copy of which is attached hereto as Exhibit "D." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 6066 through 6103 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

In response to a question, Mr. McDevitt stated that he will personally deliver the checks refunding the amounts overcharged to commercial tap customers.

In response to a question, Ms. Stedman reported that the District received its first check from the City of Houston in the amount of \$2,063.54 in connection with the Strategic Partnership Agreement ("SPA"). Ms. Stedman noted that she will prepare a spreadsheet to keep track of the SPA revenue received.

7. **Approve budget for fiscal year ending September 30, 2009.** Ms. Stedman presented to and reviewed with the Board a draft budget for fiscal year ending September 30, 2009, a copy of which is attached to the Bookkeeper's Report. This item was deferred until the next Board meeting.

8. **Adopt Resolution Reviewing Investment Policy and accept related party disclosures from Bookkeeper and Investment Officer.** Ms. Cogburn presented to the Board the Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto, a copy of which is attached hereto as Exhibit "E." The Board agreed that no changes to the Investment Policy are needed at this time. Upon motion by Director Walker, seconded by Director Sahver, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto.

Ms. Stedman stated that she has completed and provided F&J with a signed memorandum disclosing Myrtle Cruz, Inc.'s relationships with any entities or individuals that have sold or seek to sell investments to the District.

9. **Review Operations Report and authorize repairs.** Mr. McDevitt presented to and reviewed with the Board the Operations Report for July, 2008, a copy of which is attached hereto as Exhibit "F." It was noted that 96.65% of the water pumped was billed for the month ending July 22, 2008.

Discussion ensued regarding the Builder Damages amounts owed by Chapparral Plumbing, Marcel Construction and George M. Construction. Mr. McDevitt recommended writing off the amounts owed by Chapparral Plumbing and George M. Construction.

Mr. McDevitt requested permission to turn three accounts in the aggregate amount of \$597.39 over to collections.

Mr. McDevitt stated that he will present the contract documents for online water bill payments to the Board at the next meeting.

Director Bezdek noted that he recently witnessed someone obtaining a large amount of water from the fire hydrant located near the Best Buy store. Mr. McDevitt stated that he will determine whether any builder rented a meter within the last two weeks.

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 ST to turn three accounts over to collections in the aggregate amount of \$597.39 and to write off the builder damage amounts owed by Chapparral Plumbing and George M. Construction.

10. **Discuss options for additional security at the water plant and take any necessary action in connection with same.** It was the consensus of the Board that the operator obtain cost estimates for installing security signs and systems at the District's facilities.

11. **Engineer's Report.** Mr. Froehlich 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 Pate submitted a revised application package to the TCEQ for Approval of Use of Surplus Funds for \$485,975 for the Will Clayton Parkway Storm Sewer facilities. Mr. Froehlich reported that the application was approved and the TCEQ conducted its pre-purchase inspection on the facilities on August 20, 2008. Mr. Froehlich noted Pate received the pre-purchase inspection approval letter from the TCEQ today.

Mr. Froehlich reported that Pate submitted the 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. Froehlich stated that Pate received a request from the TCEQ for additional information and will be submitting a response to the TCEQ today.

Mr. Froehlich reviewed with the Board a full size map of water plant no. two and surrounding land (located on West Lake Houston Parkway) showing land available for purchase by ESD 46 for construction of a two-bay fire station.

Mr. Froehlich reported that Pate is continuing to monitor the Harris County Flood Control ditch in connection with the recent bank failure and desiltation project.

Mr. Froehlich reported that Pate reviewed the projections for commercial development in the District with Mark Wimberly and Lifetime Fitness pursuant to a request from Brown & Gay Engineers, engineer for Harris County MUD No. 153 (“No. 153”), to verify the number of projected single family equivalent connections that will flow to the shared lift station on West Lake Houston Parkway. Mr. Froehlich stated that Pate also evaluated the actual metered water usage to the existing developments within the joint lift station service area. Mr. Froehlich reviewed with the Board a summary of the analysis of the joint lift station, a copy of which is attached to the Engineer’s Report. Mr. Froehlich noted that the District’s capacity requirement is somewhat reduced based on the analysis. Mr. Froehlich stated that the updated projections have been provided to No. 153’s engineer.

Mr. Froehlich reported that Pate reviewed plans and issued a comment letter for Westlake Crossing, a shopping center being developed by Trammel Crow at the southwest corner of Atascocita Road and West Lake Houston Parkway. Mr. Froehlich noted that the construction plans provided some onsite detention capacity.

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.

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

13. **Approve reimbursement audit and authorize reimbursement to developers in connection with Will Clayton Storm Sewer (4.2 WCP, LP and Elan Development) and water and sewer lines extensions to serve Will Clayton and West Lake Houston Parkway, (Compass Care Holdings, LTD., 4.2 WCP, LP and RRB Investment Fund No. 1, LLC).** Mr. Barfoot presented to and reviewed with the Board a draft of the reimbursement audit relating to the Will Clayton Storm Sewer (4.2 WCP, LP and Elan Development), a copy of which is attached hereto as Exhibit “H.” 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 the reimbursement audit relating to the Will Clayton Storm Sewer (4.2 WCP, LP and Elan Development).

Mr. Froehlich noted that the Texas Commission on Environmental Quality (“TCEQ”) has approved the District’s purchase of the facilities and issued an approval letter. 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 Conveyance of Facilities relating to the Will Clayton Storm Sewer (4.2 WCP, LP and Elan Development), a copy of which is attached hereto as Exhibit “I,” and to authorize reimbursement

for same, pending receipt of the executed Conveyance of Facilities from the developers (4.2 WCP, LP and Elan Development).

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

15. **Executive Session pursuant to Section 551.071, Texas Government Code, as amended, to discuss litigation.** At 12:25 p.m., the Board convened in executive session pursuant to Section 551.071, Texas Government Code, as amended, to discuss litigation.

The Board reconvened in open session at 12:30 p.m.

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 September 24, 2008.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)