

MINUTES OF MEETING OF BOARD OF DIRECTORS
DECEMBER 17, 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, December 17, 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 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 ST Environmental Services ("ST"); 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 November 26, 2008, copies of which were previously distributed to the Board. 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 minutes of the meeting of November 26, 2008, as presented.

2. **Approve audit for fiscal year ended September 30, 2006.** This item was deferred until the next Board meeting.

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 detailed request to the Board. It was noted that a formal request has not yet been received.

4. **Discuss and take action in connection with FEMA reimbursement for damage related to Hurricane Ike.** Mr. McDevitt reported that ST has filed an application with FEMA for reimbursement in connection with damage to District facilities from Hurricane Ike.

5. **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 November, 2008 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "B." Ms. Humphrey noted that 3.35% of the District's 2008 taxes had been collected as of November 30, 2008. 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 Tax Assessor and Collector's Report and to authorize payment of check numbers 3152 through 3172 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

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 November, 2008, a copy of which is attached hereto as Exhibit "C." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 6168 through 6176 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

7. **Review Operations Report and authorize repairs.** Mr. McDevitt presented to and reviewed with the Board the Operations Report for November, 2008, a copy of which is attached hereto as Exhibit "D." Mr. McDevitt reported that 97.55% of the water pumped was billed for the month ending November 16, 2008.

Mr. McDevitt stated that ST obtained the following three bids for the replacement of the fence around water plant no. one with a chain link fence and slats in the front:

- 1) Fenceline -- \$21,400;
- 2) Aber Fence -- \$25,634; and
- 3) Magna Flo -- \$31,750.

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 delinquent accounts, and to authorize Fenceline to replace the fence around water plant no. one with a chain link fence and slats in the front at a cost of \$21,400.

8. **Discuss and take action in connection with approval and execution of Automated Clearing House Processing Agreement.** Mr. McDevitt reported that ST has not yet received the updated Agreement between Compass Bank and the District, which would allow District customers a variety of options for bill payment.

9. **Review and approve rate increase request from ST for equipment, turn-ons and turn-offs, and pulled meters.** Mr. McDevitt reviewed with the Board a summary of the rate increase request, a copy of which is attached hereto as Exhibit "E." 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 ST's rate increase request for equipment, turn-ons, and pulled meters.

10. **Discuss and take action in connection with request for Consent to Encroachment in connection with Westlake Crossing Project (pylon and monument signs for Best Buy within the 30-foot sanitary sewer line easement along FM 1960).** The President reported that the developer and engineer for West Lake Crossing/Best Buy attended the Atascocita Joint Operations Board ("AJOB") meeting on Monday. The President noted that the proposed "Best Buy" sign locations have been revised. It was noted that the pylon sign and smaller, monument sign along FM 1960 will still encroach the existing 30-foot sanitary sewer easement, but the pylon sign base would be approximately eleven feet away from the sanitary sewer line allowing ample access for any necessary repairs. It was also noted that AJOB requested that the District obtain from the developer for West Lake Crossing, in writing, 1) that a sign removal plan will be provided to the District in the event that the signs need to be removed to make necessary repairs to the sanitary sewer trunkline and 2) that the Encroachment document include a provision stating that should repairs become necessary to the sanitary sewer trunkline and the signs need to be removed, that the tenants in the West Lake Crossing retail center will not hold the District or AJOB liable for any lost revenue due to lack of sign advertisement. It was the consensus of the Board to not assess a fee for potential future removal of the signs. 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 authorize Atascocita Commons Associates II, LP a Consent to Encroachment of the 30-foot sanitary sewer line easement for a pylon and monument signs, subject to receipt of a written plan for sign removal and inclusion of the stipulations referenced above in the encroachment document.

11. **Discuss and take action in connection with FEMA reimbursement.** Ms. Cogburn reported that FEMA may provide grants to assist districts with the purchase and installation of emergency power generators. The initial application is due January 9, 2008. It was the consensus of the Board that the District's engineer prepare and file the appropriate application paperwork with FEMA by January 9, 2009.

12. **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 "F."

Mr. Froehlich reported that Pate will prepare and file an application with FEMA by January 9, 2009, for a grant to assist the District with the purchase and installation of an emergency generator at water plant no. one.

Mr. Froehlich reported that Pate prepared and sent a letter to Mr. Joe Myers at Harris County Flood Control (with attached photographs) regarding the progression of the bank failure after Hurricane Ike and scheduled repairs.

Mr. Froehlich reported that Harris County MUD No. 153 ("No. 153") is proposing to upgrade the shared lift station by constructing an additional pump. Mr. Froehlich stated that No. 153's is currently preparing the design for the additional pump and construction will likely commence in the first quarter of 2009. Mr. Froehlich noted that there will need to be an amendment to the contract with No. 153 for the shared lift station.

Mr. Froehlich reported that Pate has requested facility maps from Centerpoint Energy to investigate natural gas availability for a generator at water plant no. one.

Mr. Froehlich reported that Pate previously prepared 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 stated that he has nothing further to report on the possibility of the sale of land.

Mr. Froehlich reported that the engineer for the West Lake Crossing project (Trammel Crow project in northeast corner of the District) submitted final plans to Pate, which have been approved. Mr. Froehlich reported that West Lake Crossing has not yet executed a Consent to Encroach the 30-foot sanitary sewer trunkline easement for the proposed paving or the 30-foot water line easement (for the proposed eight-inch water line to serve the retail center). Mr. Froehlich noted that once the water line easement is executed, the Board will need to authorize a Consent to Encroachment of the 30-foot water line easement for paving.

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.

13. **Authorize capacity commitments.** There were no capacity commitment requests since the last Board meeting.

14. **Discuss and take necessary action in connection with the installation of emergency generators at District facilities .** There was no further discussion on this item.

15. **Approve and authorize execution of Amended Agreement for Construction and Maintenance of Wastewater Pump Station, Force Main and Site with Harris County MUD No. 153.** This item was deferred until the Agreement has been prepared.

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

17. **Executive Session pursuant to Section 551.071, Texas Government Code, as amended, to discuss litigation.** The Board did not meet in Executive Session 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 January 28, 2009.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)