

MINUTES OF MEETING OF BOARD OF DIRECTORS
JUNE 18, 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 special 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, June 18, 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. Teague Harris of Pate Engineers, engineer for the District; Mr. Mark Wimberly of The Betz Companies, a developer of land in the District; Mr. John Hightower of Olson & Olson; 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. **Other matters.** Ms. Cogburn reported that a lawsuit has been filed against the District in connection with the City of Houston fireworks ban clause included in the District's Strategic Partnership Agreement with the City of Houston. Ms. Cogburn stated that the District's insurance company, TML, engaged Mr. John Hightower of Olson & Olson to represent the District in connection with such lawsuit. Ms. Cogburn noted that an F&J attorney attended the temporary restraining order hearing held on Wednesday, June 11, 2008 at the Harris County District Court. Ms. Cogburn reported that the Judge denied the application by Sarges Fireworks for a Temporary Injunction against the District. Mr. Hightower stated that he did not attend the hearing. Discussion ensued. It was the consensus of the Board that Mr. Hightower contact the attorney for Sarges Fireworks to request that the suit against the District be dismissed.

2. **Minutes.** The Board considered the proposed minutes of the meeting of April 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 April 23, 2008, as presented.

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 ESD 46 is interested in possibly purchasing land or leasing land located in front of the District’s water plant no. 2 (located on West Lake Houston Parkway) to construct a two-bay fire station. Discussion ensued. It was the consensus of the Board that Director Crocker contact ESD 46 and ask them to submit a formal request (and details) and that, upon receipt of such request, the District’s engineer determine if the District needs such property for future use.

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 months of April and May, 2008 and the delinquent tax report, copies of which are attached hereto as Exhibit “B.” Ms. Humphrey noted that 95.71% of the District’s 2007 taxes had been collected as of May 31, 2008. 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 Tax Assessor and Collector’s Report and to authorize payment of check numbers 3079 through 3096 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

5. **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 months of April and May, 2008, copies of which are attached hereto as Exhibit “C.” 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 Bookkeeper’s Report, to approve the Investment Report, and to authorize payment of check numbers 5992 through 6005 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

6. **Review Operations Report and authorize repairs.** The Board reviewed the Operations Report for April, 2008, a copy of which is attached hereto as Exhibit “D.” It was noted that 94.93% of the water pumped was billed for the month ending April 18, 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 Operations Report.

Director Bezdek stated that the lawn and landscaping outside of the fence at water plant no. two is overgrown and in need of regular maintenance. It was the consensus of the Board that Director Bezdek contact Mr. McDevitt and request that the current contractor start mowing and maintaining the landscaping outside of fence on a regular basis.

7. **Discuss and take any action regarding District Rate Order and Commercial Tap Fees.** This item was tabled until the next Board meeting.

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. **Approve Consumer Confidence Report.** 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 preliminarily approve the CCR and to authorize ST to send the CCR to District customers by July 1, 2008. Ms. Christensen stated that she will request that ST email a draft of the CCR to Directors.

10. **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 "E."

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 noted that Pate has prepared and will send a response to the TCEQ tomorrow in connection with a request for additional information.

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.

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

12. **Discuss and take any action in connection with reimbursement for water and sewer line extensions to serve Will Clayton and West Lake Houston Parkway.** The Board reviewed a spreadsheet depicting the reconciliation of costs and expenses in connection with the reimbursement to developers for the construction of water and sewer line extensions to serve Will Clayton and West Lake Houston Parkway, a copy of which is attached hereto as Exhibit "F." It was noted that Mr. Wimberly is requesting that the Board consider reimbursing the three developers involved in the project separately and has submitted a letter signed by all the developers to such effect. Discussion ensued regarding reimbursement. 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 reimburse, when applicable, the three developers separately, as requested by Mr. Wimberly.

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

14. **Approve and authorize wastewater treatment plant capacity purchase price (\$6.00 per gallon) and wastewater trunkline capacity purchase price (\$1.00 per gallon) in connection with joint wastewater treatment plant.** Director Cline noted that the District must formally authorize the purchase price for both the sale of wastewater treatment plant capacity and capacity in the sanitary sewer trunk line capacity prior to selling such capacity to Harris County MUD No. 494 ("No. 494"). Director Cline noted that there will also be a price escalation clause for capacity purchased in the future. Ms. Cogburn stated that the participants in the wastewater treatment plant may want to consider including either an "option fee" or requiring a letter of credit in connection with No. 494's purchase to assure the participants that No. 494 will move forward with the purchase of capacity. 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 and authorize the proposed wastewater treatment plant capacity purchase price (\$6.00 per gallon) and sanitary sewer trunkline capacity purchase price (\$1.00 per gallon) in connection with the proposed sale of capacity to No. 494.

15. **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
July 23, 2008.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)