

MINUTES OF MEETING OF BOARD OF DIRECTORS
MARCH 26, 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, March 26, 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 Severn Trent Environmental Services, Inc. ("ST"), operator for the District; Mr. Matt Froehlich of Pate Engineers, engineer for the District; Mr. Mark Wimberly of The Betz Companies, a developer of land in the District; Mr. Gerald Lavey of Harco Insurance Services; 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 February 27, 2008, copies of which were previously distributed to the Board. Upon motion by Director Bezdek, 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 February 27, 2008, as presented.

2. **Adopt Order Declaring Unopposed Candidates Elected to Office.** The Board reviewed an Order Declaring Unopposed Candidates Elected to Office, a copy of which is attached hereto as Exhibit "B." Ms. Cogburn informed the Board that the election may be canceled pursuant to the Texas Election Code since the positions are uncontested. 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 adopt the Order Declaring Unopposed Candidates Elected to Office.

3. **Renew District insurance (expires 5/1/06).** The Board reviewed the renewal insurance proposal submitted by Harco Insurance Services (TML), a copy of which is attached hereto as Exhibit "C." Discussion ensued. 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 and authorize execution of the renewal insurance proposal submitted by Harco Insurance Services.

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 February, 2008 and the delinquent tax report, copies of which are attached hereto as Exhibit "D." Ms. Humphrey noted that 98.84% of the District's 2006 taxes and 88.79% of the District's 2007 taxes had been collected as of February 29, 2008. 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 Tax Assessor and Collector's Report and to authorize payment of check numbers 3060 through 3069 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 month of February, 2008, copies of which are attached hereto as Exhibit "E." Upon motion by Director Bezdek, 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 5949 through 5978 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

6. **Approve Annual Report on Financial Information and Operating Data.** Ms. Christensen presented to the Board the Resolution Approving Annual Report of Financial Information and Operating Data, a copy of which is attached hereto as Exhibit "F." Ms. Cogburn stated that the District is required to update the District's operating and financial information on an annual basis under the orders for the 2001, 2002, 2003, 2004 and 2005 bond issues. 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 Annual Report of Financial Information and Operating Data and to approve the filing of such report with all nationally recognized municipal securities information repositories and the state information depository.

7. **Discuss arbitrage issues and engage Arbitrage Compliance Specialists, Inc. to review bonds.** The President recognized Ms. Cogburn, who presented to and reviewed with the Board the engagement letter from Arbitrage Compliance Specialists, a copy of which is attached hereto as Exhibit "G." Ms. Cogburn informed the Board that the excess funds from the District's prior bond issuances should be monitored. Ms. Cogburn stated that Arbitrage Compliance Specialists is offering to monitor each bond issuance to insure compliance with yield restrictions. She estimated that the cost will not be greater than \$5,000 (not including cost for necessary arbitrage calculations) 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 Crocker, seconded by Director Shaver, after full discussion and the question being put to the Board, the Board voted unanimously to approve engaging Arbitrage Compliance Specialists to monitor the District's compliance with yield restriction requirements and arbitrage rebate requirements.

8. **Review Operations Report and authorize repairs.** Mr. McDevitt presented to and reviewed with the Board the Operations Report for February, 2008, a copy of which is attached hereto as Exhibit "H." Mr. McDevitt reported that 92.74% of the water pumped was billed for the month ending February 18, 2008.

Mr. McDevitt reported that the timers that will regulate and control the pumpage at the water plants have been installed.

Mr. McDevitt requested permission to turn four accounts in the aggregate amount of \$264.91 over to collections and to write off four accounts in the aggregate amount of \$28.27.

Mr. McDevitt stated that Life Time Fitness was originally assessed "cost plus 120%" for its tap fee instead of "120% of the cost," as specified in the District's Rate Order. Mr. McDevitt stated that the tap fee error has been corrected for Life Time Fitness, but there are previous tap fees that were calculated in error. Discussion ensued. It was the consensus of the Board that ST prepare an audit of tap fees received (including amount received, name of property owner and current water bill address, if known) for the past four years. Ms. Cogburn stated that F&J will determine the statute of limitations regarding such matter and the date that the current commercial tap fee calculation of "120% of the cost" was included in the District's Rate Order and adopted by the Board.

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 Operations Report, to authorize ST to turn four accounts over to collections in the aggregate amount of \$264.91 and to write off four accounts in the aggregate amount of \$28.27, and to authorize termination of service to the delinquent accounts.

In response to a question from Mr. McDevitt regarding the Automated Clearing House Processing Agreement approved by the Board last month in connection with online bill payment, Ms. Cogburn stated that she has reviewed and approved such agreement.

9. **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.

10. **Discuss and take any action in connection with including notice on water bills regarding Emergency Services election on May 10, 2008.** Discussion ensued. It was the consensus of the Board to not include any statements on the District's water bills not directly relating to District matters.

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 "I."

Mr. Froehlich reported that the Notice to Proceed in connection with the replacement of the motor control center ("MCC") at water plant no. one was issued on June 26, 2007. Mr. Froehlich reported that the contractor is substantially complete with the punch list items and only has a small amount of paving to pour before the project is complete. Mr. Froehlich reported that the final pay estimate will be presented for approval at the next Board meeting.

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

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.

Upon motion by Director Bezdek, seconded by Director Shaver, 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. Froehlich reported that there have been no capacity commitment requests in the last month.

13. **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 April 23, 2008.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)