

MINUTES OF MEETING OF BOARD OF DIRECTORS
NOVEMBER 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, November 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 Directors Bezdek and 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; Mr. Mike McCall of McCall, Gibson & Company, PLLC, auditor for the District; Mr. John Martin and Mr. Ralph Tuller of Trammell Crow Company; Mr. Brian K. Munger of R.G. Miller Engineers, Inc.; 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 October 22, 2008, copies of which were previously distributed to the Board. Director Cline noted two typographical errors. 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 October 22, 2008, as corrected.

2. **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.

3. **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 October, 2008 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "B." Ms. Humphrey noted that 98.89% of the District's 2007 taxes had been collected as of October 31, 2008. 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 Tax Assessor and Collector's Report and to authorize payment of check numbers 3130 through 3151 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

4. **Approve Depository Pledge Agreement with Sterling Bank (tax account).** The Board reviewed the proposed Depository Pledge Agreement with Sterling Bank for the tax account, 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 and authorize execution of the Depository Pledge Agreement with Sterling Bank.

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 October, 2008, a copy of which is attached hereto as Exhibit "D." 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 6153 through 6167 from the General Operating Account and check numbers 1157 through 1159 from the Capital Projects Account to the persons, in the amounts, and for the purposes listed in such report.

6. **Review Operations Report and authorize repairs.** Mr. McDevitt presented to and reviewed with the Board the Operations Report for October, 2008, a copy of which is attached hereto as Exhibit "E." Mr. McDevitt reported that 92.2% of the water pumped was billed for the month ending October 20, 2008.

Mr. McDevitt reported that ST is obtaining three bids for the replacement of the fence around water plant no. one.

Mr. McDevitt requested permission to turn 10 accounts in the aggregate amount of \$765.87 over to collections and to write off six accounts in the aggregate amount of \$45.03.

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 termination of service to delinquent accounts, and to authorize ST to turn 10 accounts over to collections in the aggregate amount of \$765.87 and to write off six accounts in the aggregate amount of \$45.03.

Mr. McDevitt presented to and reviewed with the Board a summary of equipment rate increases for ST, a copy of which is attached hereto as Exhibit "F." Mr. McDevitt requested that the Board consider amending ST's contract at the next Board meeting.

7. **Discuss options for additional security at the water plant and take any necessary action in connection with same.** Mr. McDevitt reported that the security devices and signs have been installed at the District's facilities.

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. **Discuss and take action in connection with notice from West Harris County Regional Water Authority (the “Authority”) regarding increase in pumpage fees and surface water fees.** The Board reviewed a memorandum from the Authority stating that the surface water fee and pumpage fees will increase \$0.10 per 1,000 gallons of water effective January 1, 2009, a copy of which is attached hereto as Exhibit “G.” It was noted that the pumpage fee will be increasing from \$0.85 to \$0.95 per 1,000 gallons. Ms. Cogburn noted that the District’s Rate Order does not need to be amended because it already includes a provision for the District to add a surcharge to the monthly water service rates equal to the well pumpage fee charged by the Authority.

10. **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 “H.”

Mr. Froehlich reported that the TCEQ previously approved the District’s application 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 reported that the TCEQ pre-purchase inspection was held on October 31, 2008 and was approved. Mr. Froehlich noted that the developer has been reimbursed for the project.

Mr. Froehlich reported that Pate recently checked the existing bank failure and it still appears that a truck can pass by the washout. 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 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 on the West Lake Crossing project (Trammel Crow project in northeast corner of the District). Mr. Froehlich reported that three documents have been drafted for the Board’s consideration regarding the West Lake Crossing retail center development at the southwest corner of FM 1960 and West Lake Houston Parkway:

1) a 30-foot water line easement for the proposed eight-inch water line to serve the retail center, a copy of which is attached to the Engineer’s Report;

2) a water line easement encroachment agreement for the proposed paving within the 30-foot water line easement, a copy of which is attached to the Engineer's Report; and

3) a sanitary sewer easement encroachment agreement for the proposed paving within the existing 30-foot sanitary sewer easement along FM 1960, a copy of which is attached to the Engineer's Report.

Mr. Froehlich reported that the developer, Trammel Crow, is also proposing to install two signs: a "Best Buy" pylon sign and a smaller monument sign along FM 1960 that would also encroach the existing 30-foot sanitary sewer easement. Mr. Froehlich reviewed with the Board an exhibit prepared by the developer's engineer depicting the location and sign details, a copy of which is attached to the Engineer's Report. The President stated that the Board previously discussed the authorizing the water line easement and the paving encroachments. The President noted that the Board is in favor of accepting the 30-foot water line easement and then authorizing the Consent to Encroachments (of both the water line and sanitary sewer line easement) for the proposed paving. The President noted that the District will assess the developer a fee in the event the District has to remove the pavement to make any necessary repairs.

Extensive discussion ensued regarding the proposed locations of the pylon and monument signs. In response to a question, Mr. Tuller noted that the pylon sign base would be approximately eleven feet away from the sanitary sewer line and the monument sign is directly over the sanitary sewer line. Mr. Martin stated that the plans can be revised to locate the monument sign so that it will not be directly on top of the sanitary sewer line. Mr. Tuller and Mr. Martin stated that they will attend the next Atascocita Joint Operations Board meeting to further discuss the location of the signs and answer any questions. Mr. Martin and Mr. Tuller also noted that Trammel Crow would be willing to pay a fee to the District in the event the District needs to move the signs to make any necessary repairs within the easement. In response to a question, Mr. Froehlich stated that Pate will investigate whether the other businesses with signs located in the 30-foot sanitary sewer easement obtained a Consent to Encroachment for such signs. In response to a question, Mr. McDevitt stated that ST will confirm that the proposed location of the signs will not affect any future repairs that may need to be made to the line.

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.

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

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

13. **Approve Consent to Encroachments in connection with Westlake Crossing Project (extension of 8-inch public water line).** 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 accept the 30-foot water line easement from Atascocita Commons Associates II, LP, to authorize the Consent to Encroachment of the 30-foot water line easement for proposed

paving, subject to receipt of the recorded water line easement, and to authorize the Consent to Encroachment of the 30-foot sanitary sewer line easement for proposed paving.

14. **Approve Procedures and Guidelines Regarding Post-Issuance Compliance with Federal Tax Requirements Applicable to Tax-Exempt Bonds.** Ms. Cogburn presented to and reviewed with the Board the Procedures and Guidelines Regarding Post-Issuance Compliance with Federal Tax Requirements Applicable to Tax-Exempt Bonds, a copy of which is attached hereto as Exhibit "I." 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 and authorize execution of such procedures and guidelines.

15. **Other matters.** It was the consensus of the Board to reschedule the December meeting for December 17, 2008 due to the holidays.

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

16. **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
December 17 , 2008.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)