

MINUTES OF MEETING OF BOARD OF DIRECTORS
SEPTEMBER 24, 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, September 24, 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 Bezdek. 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 August 27, 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 August 27, 2008, as presented.

2. **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 August, 2008, a copy of which is attached hereto as Exhibit "B." 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 6104 through 6113 from the General Operating Account and check numbers 1155 and 1156 from the Capital Projects Account to the persons, in the amounts, and for the purposes listed in such report.

Ms. Stedman reported that the District has received a total of \$3,657.27 from the City of Houston in connection with the Strategic Partnership Agreement.

3. **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. Upon motion by Director Walker, seconded by Director Shaver, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the proposed budget for fiscal year ending September 30, 2009.

4. **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.

5. **Review Tax Collector's Report and authorize payment of certain bills.** Ms. Humphrey noted that power has not yet been restored to Wheeler & Associates and therefore, the August Tax Assessor and Collector's Report will be presented at the next Board meeting. Upon motion by Director Walker, seconded by Director Crocker, after full discussion and the question being put to the Board, the Board voted unanimously to authorize payment of check numbers 3121 through 3125 from the Tax Account.

6. **Adopt Order Designating Officer to Calculate and Publish Tax Rate.** The President recognized Ms. Cogburn, who presented to and reviewed with the Board a cash flow analysis prepared by the District's financial advisor, a copy of which is attached hereto as Exhibit "C." Discussion ensued regarding setting a maintenance and operations tax.

The Board reviewed the Order Designating Officer to Calculate and Publish Tax Rate for 2008, a copy of which is attached hereto as Exhibit "D." Discussion ensued. Upon motion by Director Shaver, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Designating Officer to Calculate and Publish Tax Rate for 2008, thereby authorizing the District's tax assessor and collector to publish the proposed tax rate of \$0.40 per \$100 assessed valuation (\$0.37 for debt service and \$0.03 for operations and maintenance).

7. **Review Operations Report and authorize repairs.** Mr. McDevitt reported that he is unable to present the written Operations report for August at this time, but will present the report at the next Board meeting.

Mr. McDevitt stated that he has obtained a contract in the amount of \$555.00 from Corrpro Waterworks for annual inspection and maintenance of cathodic protection at the ground storage tank at water plant no. one.

Mr. McDevitt reported that the District's facilities were able to provide continuing water and sewer service in the aftermath of Hurricane Ike due to the operation of auxiliary power and emergency generators. Mr. McDevitt reported that the well motor at water plant no. two burned up and lost power as well as the motor for booster pump no. four. Mr. McDevitt stated that the District may want to consider installing an emergency back-up generator at water plant no. one. Discussion ensued regarding whether to install a natural gas or diesel generator. It was the consensus of the Board that the District's engineer obtain cost estimates for the installation of

either a natural gas generator or diesel generator. Discussion ensued regarding communication efforts between the Directors and consultants after the hurricane. It was noted that the fence on the west side at water plant no. two was damaged during the hurricane.

Upon motion by Director Walker, seconded by Director Shaver, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operations Report.

8. **Discuss options for additional security at the water plant and take any necessary action in connection with same.** Mr. McDevitt stated that he is in the process of obtaining cost estimates for the installation of security signs and systems at the District's facilities.

9. **Discuss and take action in connection with approval and execution of Automated Clearing House Processing Agreement.** Mr. McDevitt noted that the District previously approved an agreement with Automated Clearing House ("ACH") and Texas State Bank-Riverway for online bill payment, but the agreement has been updated. Mr. McDevitt stated that an ST representative will attend the next Board meeting to further discuss the agreement.

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 "E."

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 has submitted a response to the TCEQ.

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 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 updated the projections for commercial development in the District 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 has provided the updated projections to No. 153's engineer. Mr. Froehlich noted that Pate will keep in contact with the engineer for No. 153 regarding the potential upgrade of the joint lift station.

Mr. Froehlich reported that Pate reviewed revised plans 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 for 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.

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

12. **Approve reimbursement audit and authorize reimbursement to developers in connection with 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).** There was no action taken in connection with this item.

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

14. **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 October 22, 2008.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)