

MINUTES OF MEETING OF BOARD OF DIRECTORS
JANUARY 23, 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, January 23, 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 Severn Trent Environmental Services, Inc. ("ST"), operator for the District; Mr. Matt Froehlich of Pate Engineers, engineer for the District; Mr. Noel Barfoot of McCall, Gibson & Company, PLLC, auditor for the District; Mr. Mark Wimberly of The Betz Companies, a developer of land in the District; 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 December 19, 2007, copies of which were previously distributed to the Board. 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 approve the minutes of the meeting of December 19, 2007, as presented.

2. **Adopt Order Calling Directors Election.** Ms. Christensen stated that the District is required to utilize an electronic voting machine at elections. Ms. Christensen recommended that the Board authorize F&J to negotiate a contract with Diebold (Premier Election Solutions) for electronic voting equipment and necessary training, if the District holds the May 10, 2008 election. Ms. Christensen stated that the approximate cost of the equipment and services from Diebold is \$4,500. 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 approve the Order Calling Directors Election in substantially the form attached hereto as Exhibit "B," to appoint Carla Christensen as the agent for the District in connection with administration of the election, to authorize compensation of \$10.00 per hour per election

official, and to authorize F&J to negotiate with Diebold for electronic voting equipment and training, if necessary.

3. **Approve audit for fiscal year ended September 30, 2007.** Mr. Barfoot presented to and reviewed with the Board a draft of the audit for fiscal year ended September 30, 2007, a copy of which is attached hereto as Exhibit "C." 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 approve the audit for fiscal year ending September 30, 2007.

4. **Adopt Order authorizing property tax exemptions.** Discussion ensued. No action was taken on this item.

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 December, 2007 and the delinquent tax report, copies of which are attached hereto as Exhibit "D." Ms. Humphrey noted that 98.45% of the District's 2006 taxes and 27.11% of the District's 2007 taxes had been collected as of December 31, 2007. 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 3047 through 3050 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 December, 2007, copies of which are attached hereto as Exhibit "E." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 5869 through 5899 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, 2007, a copy of which is attached hereto as Exhibit "F." Mr. McDevitt reported that 96.61% of the water pumped was billed for the month ending December 18, 2007.

Mr. McDevitt reported that there are 143 fire hydrants in the District and it would cost \$3,256 (\$22 per fire hydrant) to perform a fire hydrant and valve survey (including preventative maintenance). Discussion ensued.

Mr. McDevitt requested permission to turn 11 accounts in the aggregate amount of \$1,180.50 over to collections and to write off one account in the amount of \$18.16.

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 begin a fire hydrant and valve survey and to authorize such survey annually, to authorize ST to turn 11 accounts over to collections in the aggregate amount of

\$1,180.50 and to write off one account in the amount of \$18.16, and to authorize termination of service to the delinquent accounts.

8. **Discuss and take any action in connection with online bill payment options.** Mr. McDevitt stated that he has received a number of requests from District customers regarding online bill payment options. Mr. McDevitt stated that he will provide the Directors with a proposal for providing online bill payment options at the next Board meeting.

9. **Discuss options for additional security at the water plant and take any necessary action in connection with same.** Discussion ensued.

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 "G."

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 98% complete, lacking the final inspection. Mr. Froehlich stated that the electrical engineer is reviewing the as-built drawings and a field inspection will be scheduled with the operator and the contractor in the next two weeks. Mr. Froehlich stated that Pate is recommending approval and payment to W.W. Payton of Pay Application Nos. One and Two in the amounts of \$36,180 and \$114,255.

Mr. Froehlich reported that construction on the water and sewer line extensions to serve 34.7 acres at West Lake Houston Parkway and Will Clayton Parkway is complete and Pate expects receipt of Pay Application No. Five and Final to be processed by the next Board meeting.

Mr. Froehlich reported that Pate has revised the Application to the TCEQ for Approval of Use of Surplus Funds from \$549,000 to \$485,975. Mr. Froehlich noted that the revised application amount is only for reimbursement relating to the construction of the (storm sewer) facilities constructed to serve Aerobic Drive and Will Clayton Parkway. Mr. Froehlich noted that Pate will submit the Application today.

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 sent a letter to the Atascocita Joint wastewater treatment plant (the "Plant") engineer stating that the District can sell up to 147,600 gpd to Harris County MUD No. 494 ("No. 494") in connection with its request to purchase wastewater treatment plant capacity. Discussion ensued regarding the participants in the Plant selling capacity based on each participant's ownership percentage in the Plant. It was the consensus of the Board that the sale of any excess capacity should be based on ownership percentage in the Plant.

Mr. Froehlich reported that Pate has completed review and approved the revised construction plans for a proposed Kids Playce Day Care to be located on Will Clayton Parkway (within Reserve B of Orleans Square, Section Two).

Mr. Froehlich reported that the Northeast Baptist Church is planning expansion of its building and parking facilities. Mr. Froehlich reported that Pate has met with the engineer and architect for the expansion and a representative of the church to discuss utility service for the expansion. Mr. Froehlich noted that the church will connect to the recently completed water line

along West Lake Houston Parkway. Mr. Froehlich noted that once construction plans are completed, Pate will review the plans.

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 Engineer's Report and to approve and authorize payment of Pay Application Nos. One and Two to W.W. Payton in the amounts of \$36,180 and \$114,255 in connection with the replacement of the MCC at water plant no. one

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

12. **Other matters.** Director Cline reported on the Atascocita Joint Operations Board meeting. Director Cline reported that there a number of outstanding items in connection with the Plant expansion and that ST prepared a punch-list of these items. Director Cline reported that there is a major trunkline sink hole at a manhole along Atascocita Road that will need to be repaired.

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 February 27, 2008.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)