

MINUTES OF MEETING OF BOARD OF DIRECTORS  
APRIL 22, 2009

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, April 22, 2009, 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 Walker and 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"); operator for the District; Mr. Matt Froehlich of Pate Engineers, engineer for the District; Mrs. Doug Walker; Mr. Mark Wimberly of The Betz Companies, a developer in 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 March 25, 2009, 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 March 25, 2009, as presented.

2. **Discuss and take action in connection with FEMA reimbursement for damage related to Hurricane Ike.** Mr. McDevitt reported that ST filed the required documentation with FEMA for reimbursement in connection with damage to District facilities from Hurricane Ike, but has not yet received a check.

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 March, 2009 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "B." Ms. Humphrey noted that 94.61% of the District's 2008 taxes had been collected as of March 31, 2009. 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 3199 through 3203 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

4. **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 March, 2009, a copy of which is 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 number 1160 from the Capital Projects Account and check numbers 6263 through 6312 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

Ms. Stedman reviewed with the Board a spreadsheet prepared by the auditor for the District in connection with the invoice from the Atascocita Joint Operations Board ("AJOB") in the amount of \$94,247.19, a copy of which is attached hereto as Exhibit "D." Discussion ensued. Director Cline stated that he will address this item at the upcoming AJOB meeting next week. It was the consensus of the Board to pay the invoice in the amount of \$94,247.19.

In response to a question regarding the low rate of interest earned on the TexPool investments for the Capital Projects Funds, Ms. Stedman stated that she will shop for a 90-180 day certificate of deposit for the Capital Projects Funds.

5. **Review Operations Report and authorize repairs.** Mr. McDevitt presented to and reviewed with the Board the Operations Report for March, 2009, a copy of which is attached hereto as Exhibit "E." Mr. McDevitt reported that 91.78% of the water pumped was billed for the month ending March 19, 2009.

Mr. McDevitt presented to and reviewed with the Board a letter from Cravens Partners, Ltd. ("Cravens") regarding the backcharge in the amount of \$6,210.13 in connection with the District removing a brick plug from a sewer line, a copy of which is attached to the Operations Report. Mr. McDevitt noted that Cravens is offering to pay \$1,500.00 of the backcharged amount. Discussion ensued. It was the consensus of the Board to send a demand letter to Cravens requesting payment of the full amount owed, \$6,210.13.

Mr. McDevitt requested permission to turn over six accounts in the aggregate amount of \$1,518.00 to collections and to write off one account in the amount of \$1.48.

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 over six accounts to collections in the aggregate amount of \$1,518.00 and to write off one account in the amount of \$1.48.

6. **Approve and authorize execution of Second Amendment to Professional Services Contract with Severn Trent Services (revised fees for disconnection and reconnection of service and pulled meters) and ratify action taken at February 25, 2009 meeting in connection with First Amendment (revised equipment costs).** Mr. McDevitt

presented to and reviewed with the Board the Second Amendment to the Professional Services Contract with Severn Trent Services in connection with revising the disconnection and reconnection of service fees and pulled meters, a copy of which is attached hereto as Exhibit "G." It was noted that the Board previously approved and authorized execution of the First Amendment to Professional Services Agreement with Severn Trent Services. Mr. McDevitt noted that the First Amendment only included revised equipment rates and not the revised fees for disconnection, reconnection and pulled meters. 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 the Second Amendment to Professional Services Contract with Severn Trent Services for revised disconnection and reconnection of service fees and pulled meter fees and to ratify approval of the First Amendment to Professional Services Agreement with Severn Trent Services regarding revising the equipment fees.

7. **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. Mr. McDevitt noted that ST anticipates receiving the proposed contract soon and will provide the proposed contract to the District's attorney for review upon receipt.

8. **Review Drought Contingency Plan.** Ms. Cogburn reported that the District is required to review its Drought Contingency Plan every five years. The Board reviewed the Drought Contingency Plan. 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 Resolution Reviewing the Drought Contingency Plan, a copy of which is attached hereto as Exhibit "H."

9. **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 he will update the summary on the costs of natural gas generators versus diesel generator and present the summary to the Board at the next meeting.

Mr. Froehlich reported that Pate previously sent a letter to Harris County Flood Control ("HCFCD") regarding the progression of the bank failure after Hurricane Ike and scheduled repairs. Mr. Froehlich reported that Pate is continuing to monitor HCFCD's progress on this project.

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 Pate has received No. 153's 90% complete plans for the additional pump, but the developer requested that such project be placed on hold.

Mr. Froehlich reported that rehabilitation on the sanitary sewer lines in Atascocita South, Sections One through Three was performed and completed over the last few years. Mr. Froehlich stated that the next subdivision which needs to have its sanitary sewer lines rehabilitated will be Atascocita South, Section Four (lines are 10 years old). Mr. Froehlich noted

that this rehabilitation will not become necessary for a few more years as the lines are only 10 years old.

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 Engineer's Report.

10. **Authorize capacity commitments.** Mr. Froehlich noted that Mr. Wimberly contacted Pate to inform them that there has been some interest in development of vacant property at the northwest corner of W. Lake Houston Parkway and Will Clayton Parkway. Discussion ensued. Mr. Wimberly reviewed with the Board a picture of an apartment complex similar to the one that is being proposed for the District, a copy of which is attached hereto as Exhibit "J."

11. **Discuss and take necessary action in connection with the installation of emergency generators at District facilities.** This item was deferred until the next Board meeting.

12. **Consider insurance proposal from Harco/TML for voluntary sewage back-up coverage.** The Board reviewed the voluntary sanitary sewer back-up coverage insurance proposal submitted by Harco Insurance Services (TML), a copy of which is attached hereto as Exhibit "K." Discussion ensued. It was the consensus of the Board to not accept the insurance proposal from Harco Insurance Services for voluntary sanitary sewer back-up coverage.

13. **Authorize Director attendance for the AWBD summer conference in Corpus Christi, Texas.** 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 authorize Director attendance at the AWBD Summer Conference in Corpus Christi, Texas.

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

15. **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.

\* \* \*

The above and foregoing minutes were passed and approved by the Board of Directors on  
May 27, 2009.

---

President, Board of Directors

ATTEST:

---

Secretary, Board of Directors

(DISTRICT SEAL)