

MINUTES OF MEETING OF BOARD OF DIRECTORS
FEBRUARY 25, 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, February 25, 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 Shaver 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. Teague Harris of Pate Engineers, engineer for 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 January 28, 2009, copies of which were previously distributed to the Board. 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 minutes of the meeting of January 28, 2009, as presented.

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 detailed request to the Board. It was noted that a formal request has not yet been received. It was the consensus of the Board to remove this item from the agenda until June 2009.

3. **Discuss and take action in connection with FEMA reimbursement for damage related to Hurricane Ike.** Mr. McDevitt reported that ST filed supplemental documentation with FEMA, as requested, for reimbursement in connection with damage to District facilities from Hurricane Ike.

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 January, 2009 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "B." Ms. Humphrey noted that 87.48% of the District's 2008 taxes had been collected as of January 31, 2009. 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 3184 through 3189 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 January, 2009, a copy of which is attached hereto as Exhibit "C." Upon motion by Director Bezdek, seconded by Director Crocker, 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 6195 through 6228 from the General Operating 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 January, 2009, a copy of which is attached hereto as Exhibit "D." Mr. McDevitt reported that 89.31% of the water pumped was billed for the month ending January 19, 2009.

The Board reviewed a letter from Ms. Disele Capers requesting that the Board credit her account \$35.00 for disconnect and reconnect fees because she claims her water was never disconnected, a copy of which is attached to the Operations Report. Discussion ensued. It was the consensus of the Board to credit Ms. Capers' account in the amount of \$35.00.

Mr. McDevitt requested permission to turn nine accounts in the aggregate amount of \$605.02 over to collections and to write off one account in the amount of \$0.74 (one time only).

Upon motion by Director Bezdek, 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, to authorize a credit in the amount of \$35.00 to Ms. Capers' account, and to authorize ST to turn nine accounts over to collections in the aggregate amount of \$605.02 and to write off one account in the amount of \$0.74.

7. **Adopt Order Amending Rate Order and authorize execution of First Amendment to Professional Services Agreement with Severn Trent Environmental Services.** Mr. McDevitt reviewed with the Board the First Amendment to Professional Services Agreement with Severn Trent Environmental Services, a copy of which is attached hereto as Exhibit "E." Ms. Christensen noted that the Amendment to the Contract with ST includes revised rates for disconnection and reconnection of service and revised rates for removal and reinstallation of water meters. Ms. Christensen noted that the Board may want to consider amending the District's Rate Order to reflect the increase in costs. Discussion ensued regarding the necessity to revise other fees included in the District's Rate Order. 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 and authorize execution of the First Amendment to Professional Services Contract. It was the consensus of the Board to consider an Amendment to the District's Rate Order at the next Board meeting.

8. **Adopt Order Adopting Water Conservation Plan.** Ms. Christensen stated that the TCEQ requires that municipalities adopt a water conservation plan by May 1, 2009 if such municipality serves more than 3,300 connections. No action was taken.

9. **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.

10. **Engineer's Report.** Mr. Harris presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "F."

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

Mr. Harris reported that Harris County MUD No. 153 ("No. 153") is proposing to upgrade the shared lift station by constructing an additional pump. Mr. Harris stated that as of the last Board meeting No. 153's engineer had completed 90% of the plans for the additional pump.

Upon motion by Director Bezdek, 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 have been 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.** Mr. Harris presented to and reviewed with the Board a summary of the advantages, disadvantage and costs associated with each type of generator (diesel/natural gas), a copy of which is attached to the Engineer's Report. Discussion ensued.

13. **Discuss and take action in connection with request for Consent to Encroachment of Water Line Easement (for paving) in connection with Westlake Crossing (30-foot water line).** Ms. Christensen reported that the Consent to Encroachment of Sanitary Sewer Line Easement (for Best Buy signs) has been recorded in the real property records of Harris County. Ms. Christensen stated that F&J still has not received the executed Water Line Easement, Consent to Encroachment of Sanitary Sewer Line Easement (for paving) and Consent

to Encroachment of Water Line Easement (for paving) from the land owner in connection with the West Lake Crossing project (Trammel Crow project in northeast corner of the District). Ms. Christensen noted that once the water line easement is executed and recorded, the Board will need to authorize a Consent to Encroachment of the 30-foot water line easement for paving.

Upon motion by Director Bezdek, seconded by Director Crocker, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution and filing of the Consent to Encroachment of Water Line Easement (for paving) in connection with the West Lake Crossing Project, subject to receipt of receipt of the recorded Water Line Easement.

14. Approve and authorize execution of Amended Agreement for Construction and Maintenance of Wastewater Pump Station, Force Main and Site with Harris County MUD No. 153. This item was deferred.

15. Discuss and take any action in connection with security services. Discussion ensued regarding the area Community Improvement Associations (“CIA”) requesting area municipal utility districts take over the law enforcement contracts with the Precinct Four Constable.

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

17. 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 March 25, 2009.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)