

MINUTES OF MEETING OF BOARD OF DIRECTORS
JUNE 24, 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, June 24, 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 Director Shaver. 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; Mr. Brian Munger of R.G. Miller Engineers; Mr. John Martin of Trammel Crow; 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 May 27, 2009, copies of which were previously distributed to the Board. Director Cline noted one typographical error. Upon motion by Director Walker, 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 May 27, 2009, as corrected.

2. **Discuss and take action in connection with costs associated with removal of brick plug in storm sewer line (Cravens Partners, Ltd.).** Mr. McDevitt reported that he met with Director Shaver, the District's engineer and representatives of Cravens Partners, Ltd. ("Cravens") to negotiate a settlement offer with Cravens on behalf of the District in connection with the costs associated with the removal of the brick plug in the storm sewer line. A copy of a summary of the meeting with Cravens provided by Director Shaver is attached hereto as Exhibit "B." Mr. McDevitt reported that Cravens agreed to pay \$4,106.89 of the \$6,210.13. Ms. Stedman noted that a revised invoice has been provided to Cravens for payment.

3. **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.

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 May, 2009 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "C." Ms. Humphrey noted that 96.77% of the District's 2008 taxes had been collected as of May 31, 2009. 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 Tax Assessor and Collector's Report and to authorize payment of check numbers 3157 and 3211 through 3220 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

In response to a question, Ms. Humphrey stated that Wheeler & Associates provides a service whereby businesses are verified for Strategic Partnership Agreement ("SPA") tax revenue collection purposes. Mr. Humphrey stated that she will provide the Board with additional information on such service at the next Board meeting.

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 May, 2009, a copy of which is attached hereto as Exhibit "D." Upon motion by Director Bezdek, seconded by Director Walker, 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 6340 through 6352 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

6. **Approve and authorize execution of Addendum to Bookkeeper's Contract.** The Board reviewed the Addendum to Contract for bookkeeping services, a copy of which is attached hereto as Exhibit "E." Ms. Stedman noted that the Addendum allows the Bookkeeper to charge a monthly fee of \$100 for the investment of District funds. 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 Addendum to the Bookkeeper's Contract.

7. **Review Operations Report and authorize repairs.** Mr. McDevitt presented to and reviewed with the Board the Operations Report for May, 2009, a copy of which is attached hereto as Exhibit "F." Mr. McDevitt reported that 93.79% of the water pumped was billed for the month ending May 19, 2009.

Mr. McDevitt reported that there is a company that will paint the District's fire hydrants for \$22.50 per fire hydrant (average quality paint) or \$27.50 (better quality paint). Discussion ensued. Mr. McDevitt stated that, prior to the next meeting, he will determine how many fire hydrants are within the District and obtain a formal proposal for painting of the fire hydrants.

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.

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 a draft contract 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.

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 "G."

Mr. Froehlich presented to and reviewed with the Board the updated summary of the costs for installation of a natural gas generator versus a diesel generator, a copy of which is attached to the Engineer's Report.

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 reviewed the 90% complete plans, but the developer requested that such project be placed on hold until later this year.

Mr. Froehlich reported that Pate previously sent a letter to the Harris County Flood Control District ("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 Mr. Mark Wimberly contacted Pate regarding the tract of land at the northeast corner of Will Clayton Parkway and Atasca Oaks Road and extending District utilities to serve proposed commercial development.

Mr. Froehlich reported that the District has received the proposed plans for the construction of a Smashburger restaurant in the Westlake Retail center. Mr. Froehlich stated that revised plans have been submitted for Pate's review.

Mr. Froehlich reported that Pate was contacted regarding the plans for a Tapioca Lounge restaurant in the Atascocita Shopping center at the southwest corner of Atascocita Road and Atasca South Drive. Mr. Froehlich stated that Pate is awaiting the submittal of plans for review.

Mr. Froehlich reported that the developer's engineer for the Westlake Crossing Shopping Center contacted Pate regarding the possibility of rewriting the 30-foot water line easement around the recently installed CenterPoint Energy transformer pad. Mr. Munger presented to and reviewed with the Board a map depicting the current 30-foot water line easement and the transformer pad site, a copy of which is attached hereto as Exhibit "H." Extensive discussion ensued. It was the consensus of the Board that they would consider a Consent to Encroachment for the transformer pad, but not rewriting the easement. Mr. Munger stated that he will further discuss such matter with CenterPoint Energy.

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.

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

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

12. **Other matters.** Director Cline reported on the recent Atascocita Joint Operations Board meeting.

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

13. **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.

Ms. Cogburn reported that the court has ordered mediation in connection with the fireworks case starting on August 11, 2009.

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 July 22, 2009.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)