

MINUTES OF MEETING OF BOARD OF DIRECTORS  
MAY 27, 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, May 27, 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. 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 and Mr. Larry Jones of ST Environmental Services ("ST"); operator for the District; Mr. Teague Harris 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 April 22, 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 April 22, 2009, as presented.

2. **Discuss and take action in connection with costs associated with removal of brick plug in storm sewer line (Cravens Partners, Ltd.).** The Board reviewed a letter from Mr. Michael D. Kennedy, Vice President of Cravens Partners, Ltd., withdrawing Cravens Partners offer to pay the District \$1,500 and miscellaneous correspondence between the District and Cravens Partners in connection with the costs associated with removing the brick plug from the sewer line along West Lake Houston Parkway, copies of which are attached hereto as Exhibit "B." Extensive discussion ensued. In response to a question, Mr. McDevitt stated that he will determine whether ST would be willing to waive the mark-up and/or profits included on the ST invoice totaling \$6,210.13. 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 authorize Director Shaver, the District's operator and the District's engineer to meet with

representatives of Craven Partners to further discuss the settlement and to authorize Director Shaver to negotiate a settlement offer with Cravens Partners on behalf of the District.

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. Mr. Harris noted that Pate received a request from FEMA for completed project worksheets, which Pate has completed and returned to FEMA.

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 April, 2009 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "C." Ms. Humphrey noted that 95.63% of the District's 2008 taxes had been collected as of April 30, 2009. 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 Tax Assessor and Collector's Report and to authorize payment of check numbers 3204 through 3210 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 April, 2009, a copy of which is attached hereto as Exhibit "D." 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 6313 through 6339 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." Discussion ensued. It was the consensus of the Board to table this item until the next Board meeting.

7. **Review Operations Report and authorize repairs.** Mr. McDevitt presented to and reviewed with the Board the Operations Report for April, 2009, a copy of which is attached hereto as Exhibit "F." Mr. McDevitt reported that 93.23% of the water pumped was billed for the month ending April 20, 2009.

Mr. McDevitt stated that FCA Construction has submitted payment to the District in the amount of \$9,492.16 in connection with builder damages, but such payment was accidentally credited against Lifetime Fitness' water account. Mr. McDevitt stated that the matter has been resolved.

Mr. McDevitt requested permission to turn over seven accounts in the aggregate amount of \$840.66 to collections.

Mr. McDevitt reported that a fire hydrant located near a driveway on Jodiwood has settled and started to cause damage to the resident's driveway. Mr. McDevitt stated that the resident has requested that the District relocate the fire hydrant and repair the driveway apron. Mr. McDevitt stated that it will cost approximately \$4,000 to relocate the fire hydrant and \$2,000 to repair the driveway apron. Extensive discussion ensued.

Discussion ensued regarding the last fire hydrant survey that was conducted in the District. Mr. McDevitt stated that surveys are usually conducted once a year.

Upon motion by Director Bezdek, seconded by Director Shaver, 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 ST to turn over seven accounts to collections in the aggregate amount of \$840.66 and to authorize ST to relocate the fire hydrant on Jodiwood and repair the driveway apron at the same location.

8. **Approve Consumer Confidence Report.** Mr. McDevitt presented to and reviewed with the Board the 2008 Consumer Confidence Report (the "CCR"), a copy of which is attached hereto as Exhibit "G." Ms. Cogburn noted several corrections to the CCR. 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 Operations Report and to approve the CCR for distribution to District customers by July 1, 2009, subject to the noted corrections.

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 "H."

Discussion ensued regarding the auxiliary power at water plant no. one. Mr. Harris 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. 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 Pate is reviewing the 90% complete plans, but the developer requested that such project be placed on hold.

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

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.

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

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

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 June 24, 2009.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)