

MINUTES OF MEETING OF BOARD OF DIRECTORS  
FEBRUARY 24, 2010

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 24, 2010, 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. Stacy Wagner and Ms. Lauren Matson of Wheeler & Associates, tax assessor and collector for the District; Ms. Sheila Stedman of Myrtle Cruz, Inc., bookkeeper for the District; 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 January 27, 2010, 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 27, 2010, as presented.

2. **Discuss and take action in connection with FEMA reimbursement for damage related to Hurricane Ike.** Ms. Stedman reported that the District has still not received its reimbursement check from FEMA. Mr. Harris reported that all the required documentation has been filed with FEMA. Mr. Harris stated that he will contact FEMA to determine the status of reimbursement to the District.

3. **Adopt Order Calling Director's Election.** The Board reviewed the Order Calling Directors Election and Notice of Deadline to File Applications for Place on Ballot, copies of which are attached hereto as Exhibit "B." 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 adopt the Order Calling Directors Election and to approve and have the Notice of Deadline to File Applications for Place on Ballot posted in the District.

4. **Review Tax Collector's Report and authorize payment of certain bills.** Ms. Wagner presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of January, 2010 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "C." Ms. Wagner noted that 82.49% of the District's 2009 taxes had been collected as of January 31, 2010. 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 Tax Assessor and Collector's Report and to authorize payment of check numbers 3268 through 3280 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

Ms. Wagner stated that in April 2010, a representative of START will update the list of businesses collecting sales tax revenue under the District's Strategic Partnership Agreement with the City of Houston.

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, 2010, a copy of which is attached hereto as Exhibit "D." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 6545 through 6557 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. Jones presented to and reviewed with the Board the Operations Report for January, 2010, a copy of which is attached hereto as Exhibit "E." Mr. Jones reported that 89.97% of the water pumped was billed for the month ending January 16, 2010. Mr. Jones stated that ST will inspect the District to determine the cause of the lower than normal water accountability.

Mr. Jones reported that ST is currently coordinating with Best Buy to repair a water line leak on the Best Buy property. Mr. Jones noted that any concrete from the parking lot that needs to be replaced as a result of the repairs it will be the responsibility of Best Buy to replace.

In response to a question, Mr. Jones stated that he will coordinate with Mr. McDevitt to determine the status of painting the District's 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 and to authorize termination of service to delinquent accounts.

7. **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 pursuant to Senate Bill 361, Pate has prepared the Emergency Preparedness Plan (“EPP”). Mr. Harris reviewed the Board the draft EPP. Mr. Harris stated that the EPP is required to be filed with the TCEQ by March 1, 2010.

Mr. Harris reviewed with the Board the bid tabulation for construction of the diesel generator at water plant no. one, a copy of which is attached to the Engineer’s Report. Mr. Harris noted that the low bid was from C.F. McDonald Electric, Inc. in the amount of \$189,194.

Mr. Harris reported that a study was conducted in connection with the power supply at water plant no. two. Mr. Harris reported that the four motor protection analyzers (“MPAs”) have been ordered and are expected to be delivered later this week. Mr. Harris stated that Pate expects that the MPAs will be installed and operational by the end of next week. Mr. Harris noted that the Board had previously questioned whether the MPAs would interfere with the pump operation during a switchover to the emergency power generator. Mr. Harris stated that the MPAs would not interfere with the pump operation unless the power quality being supplied by the generator did not meet the set requirements for CenterPoint power quality. Mr. Harris reported that Pate and ST will continue to investigate whether there are any additional enhancements that may be beneficial to the power supply at water plant no. two.

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 has reviewed the 90% complete plans, but the developer requested that such project be placed on hold until late February 2010. Mr. Harris reported that Pate has notified No. 153 of the District’s ultimate required capacity needs for 1,341 connections. In response to a question, it was noted that No. 153’s attorney is preparing the Amended Contract for the lift station improvements.

Mr. Harris reported that Pate previously spoke to Mr. Layne Yeager at the Harris County Flood Control District (“HCFCD”) regarding the progression of the bank failure after Hurricane Ike and scheduled repairs. Mr. Harris noted that HCFCD is projecting to bid the project in the first half of fiscal year 2010. Mr. Froehlich reported that Pate is continuing to monitor HCFCD’s progress on this project.

Mr. Harris reported that the engineer for the Atascocita Volunteer Fire Department (“AVFD”) previously contacted Pate to discuss the possibility of constructing fire station no. four at the wooded reserve at the front of water plant no. two on Will Clayton Parkway. Mr. Harris reported that no response has been received in connection with the letter sent on behalf of the District to the AVFD’s engineer stating that the Board agrees to work with the AVFD regarding the proposed fire station, but that the current site plan layout impacts the integrity of the water plant site and needs to be reconfigured.

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 Engineer’s Report and to award the contract for the construction of a diesel generator at water plant no. one to the low bidder, C.F. McDonald Electric, Inc., in the amount of \$189,194.

8. **Discuss and take necessary action in connection with improvements to shared lift station with Harris County Municipal Utility District No. 153.** Ms. Cogburn stated that she is in the process of drafting the amended lift station agreement.

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

10. **Authorize capacity commitments.** Mr. Harris reported that Pate received a capacity commitment request from 1,260 gpd water and wastewater capacity from the engineer for Dr. Mash Ameri. Mr. Harris stated that Dr. Ameri is planning to construct a 13,000 square foot medical office building along Will Clayton Parkway (next to the Kids Playce daycare) that will house his dental office and additional lease space. The Board reviewed a draft of the proposed capacity commitment letter, a copy of which is attached to the Engineer's Report. 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 issuance of the capacity commitment letter to Dr. Ameri.

11. **Discuss and take necessary action to comply with Senate Bill 361 (Emergency Preparedness Plan).** 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 draft of the Emergency Preparedness Plan and authorize the filing of the same with TCEQ by March 1, 2010.

12. **Authorize Consent to Encroachment of 30-foot Water Line Easement (CenterPoint Energy transformer pad site).** Ms. Cogburn reported that F&J prepared and sent a reminder letter to RG Miller Engineers stating that the Board and the District's engineer have concluded that the proposed easement is not an acceptable solution to the encroachment of CenterPoint's transformer pad site on the District's 30-foot water line easement based on the fact that the District will not have an adequate amount of space to make any necessary repairs or perform maintenance to the water line at the location of the transformer pad site. Ms. Cogburn stated that the letter also requested that one of two actions must be taken by the end of February 2010 to resolve the situation: (1) CenterPoint agrees to the District's standard documentation for the District's Consent to Encroachment or (2) the transformer pad site be relocated outside of the District's easement. It was noted that no response to such letter has been received. Extensive discussion ensued. 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 authorize F&J to prepare and send another letter informing RG Miller Engineers, Trammel Crow, Best Buy and CenterPoint Energy that a response has not yet been received to the District's December 17, 2009 letter and that the District is considering alternative action, including the possibility of terminating water service to Best Buy until such time as the encroachment of the District's easement is resolved. The Board also requested that representatives from such companies attend the March 24, 2010 Board meeting to further discuss solutions or to have the encroachment matter resolved prior to the meeting.

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.

14. **Other matters.** There were no other matters to come before the Board 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 24, 2010.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)