

MINUTES OF MEETING OF BOARD OF DIRECTORS
JUNE 23, 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, June 23, 2010, whereupon the roll was called of the members of the Board, to wit:

Kelly Cline, President
Doug Walker, Vice President
Vacant, Secretary
Charlie Crocker, Assistant Secretary
Ernest Bezdek, Assistant Secretary

Persons Attending. All members of the Board were present except Director Crocker. Also attending all or parts of the meeting were Ms. Stacy Wagner 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 May 26, 2010, copies of which were previously distributed to the Board. 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 26, 2010, as presented.

2. **Accept qualifications and appoint new Director.** Discussion ensued. There was no action on this item at this time.

3. **Approve Certificates of Election, Statements of Elected Officer and Oath of Office.** Certificates of Election were then presented for those candidates elected to the Board: Director Cline and Director Walker. 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 accept the Certificates of Election for Directors Cline and Walker.

It was noted that Director Cline and Director Walker have completed the necessary paperwork qualifying them to serve as a Directors and have executed their Oath of Office and Statement of Elected Officer.

The President then called for the election of officers. Upon motion made by Director Walker, seconded by Director Bezdek, after full discussion and the question being put to the Board, the Board voted unanimously to retain the current positions with Director Crocker appointed to the position of Secretary.

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 May, 2010 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "B." Ms. Wagner noted that 97.12% of the District's 2009 taxes had been collected as of May 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 3255 and 3299 through 3306 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

In response to a question from Director Cline, Ms. Wagner reported that the District's START program representatives have determined that Best Buy has not yet been included on the SPA business list. The Board requested that Ms. Wagner coordinate with the START representatives to ensure that the SPA business list is updated as soon as possible and that the District receives regular status reports from START.

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, 2010, a copy of which is attached hereto as Exhibit "C." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 6644 through 6659 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

Director Cline noted that the line item expense for the water plant no. one generator in the general operating fund budget for fiscal year ending May 31, 2011 should be removed.

6. **Review Operations Report and authorize repairs.** Mr. Jones presented to and reviewed with the Board the Operations Report for May, 2010, a copy of which is attached hereto as Exhibit "D." Mr. Jones reported that 91.64% of the water pumped was billed for the month ending May 13, 2010. 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 Operations Report and to authorize termination of service to delinquent accounts.

Ms. Cogburn noted that F&J prepared and sent a response letter to the attorney for the Mims informing them that the Board maintains that the water leak was on the customer's line and that payment arrangements need to be made within 30 days of the date of the letter or the District will proceed with legal action to collect the outstanding balance, including termination of service. Ms. Cogburn stated that no response has been received.

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 "E."

Mr. Harris reported that pursuant to Senate Bill 361, Pate prepared the Emergency Preparedness Plan ("EPP") and submitted it to the TCEQ on February 25, 2010. Mr. Harris reported that the TCEQ has approved the EPP.

Mr. Harris reported that the Board previously awarded the contract for the construction of the diesel generator at water plant no. one to the low bidder, C.F. McDonald Electric, Inc., in the amount of \$189,194. Mr. Harris reported that the contractor has completed concrete placement on the duct bank and the generator slab foundation and is now awaiting manufacture and delivery of the generator set and control panels for installation.

Mr. Harris reported that four motor protection analyzers ("MPA") were previously installed at water plant no. two. Mr. Harris reported that Pate will revisit the issue of the incoming power supply in August, when power demand is at its highest.

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 previously reviewed the 90% complete plans, but the developer requested that such project be placed on hold.

Mr. Harris reported that Pate previously contacted Sandra Musgrove, manager of Harris County Flood Control District's maintenance engineering group. Mr. Harris reported that Ms. Musgrove stated that the repairs in connection with bank failure after Hurricane Ike are under design and she anticipates advertising and receiving bids for the project sometime in September 2010.

Mr. Harris reported that Pate is awaiting receipt of the revised site plans from the Northeast Houston Baptist Church (Phase 1 Expansion) in connection with the large water line crossing West Lake Houston Parkway.

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 Engineer's Report.

8. **Discuss and take necessary action in connection with improvements to shared lift station with Harris County Municipal Utility District No. 153.** There was no further discussion on this item.

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.** There were no capacity commitment requests to review at this time.

11. **Authorize Reciprocal Consent to Encroachment Agreement (CenterPoint Energy transformer pad site) and take necessary action in connection with same.** Ms.

Cogburn stated that Mr. Newsome previously prepared a draft of the Reciprocal Encroachment Agreement for both the District and CenterPoint's review. Ms. Cogburn stated that she provided comments to Mr. Newsome on the draft Agreement. Ms. Cogburn stated that Mr. Newsome reported that CenterPoint has revised the Encroachment Agreement to stipulate that each party to the Agreement will be responsible for the costs associated with necessary repairs to damages caused to the other party's equipment. Extensive discussion ensued. It was the consensus of the Board that F&J determine if Centerpoint's easement is an exclusive easement and if the easement is exclusive then the Board will revisit the issue at the next Board meeting.

12. **Adopt Amended Fees and Expense Policy.** Ms. Cogburn noted that the Board adopted the Amended Fees and Expense Policy at the last Board 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.

* * *

The above and foregoing minutes were passed and approved by the Board of Directors on July 28, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)