

MINUTES OF MEETING OF BOARD OF DIRECTORS
NOVEMBER 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, November 24, 2010, whereupon the roll was called of the members of the Board, to wit:

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

Persons Attending. All members of the Board were present except Director Andresen. Also attending all or parts of the meeting were Mr. Avik Bonnerjee of Wheeler & Associates, tax assessor and collector for the District; Ms. Freida Conley 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 ("Pate"), 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 October 27, 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 October 27, 2010, as presented.

2. **Review Tax Collector's Report and authorize payment of certain bills.** Mr. Bonnerjee presented to and reviewed with the Board the Tax Assessor and Collector's Report for the month of October, 2010 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "B." Mr. Bonnerjee noted that 99.35% of the District's 2009 taxes and 0.10% of the District's 2010 taxes had been collected as of October 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 3329 through 3335 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

Mr. Bonnerjee reported that the District received the Strategic Partnership Agreement ("SPA") check for the Best Buy tax revenue. Mr. Bonnerjee also noted that START is working

with the City of Houston and the State Comptroller's office regarding past and future collections of tax revenue from Lifetime Fitness and Walgreens. In response to a question, Mr. Bonnerjee stated that the terms of the District's contract with START require that a START representative drive the District twice a year to confirm the existence of businesses and determine new businesses for which sales tax revenue should be collected. Discussion ensued.

3. **Review Bookkeeper's Report and authorize payment of bills.** Ms. Conley presented to and reviewed with the Board the Bookkeeper's Report and the Investment Report for the month of October, 2010, a copy of which is attached hereto as Exhibit "C." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 6814 through 6832 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

Discussion ensued regarding current deposits from customers.

4. **Review Operations Report and authorize repairs.** Mr. Jones presented to and reviewed with the Board the Operations Report for October, 2010, a copy of which is attached hereto as Exhibit "D" Mr. Jones reported that 92.46% of the water pumped was billed for the month ending October 19, 2010.

Mr. Jones reported that Harris County MUD Nos. 106 or 290 may submit a letter to the District requesting consideration of an interconnect between the districts. Discussion ensued.

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.

Ms. Cogburn presented to and reviewed with the Board a status report from Ms. Margaret Poissant in connection with the law suit regarding builder damages owed by CenterPoint/North Houston Pole from 2003 in the amount of \$1,103.38, a copy of which is attached hereto as Exhibit "E." Discussion ensued. It was the consensus of the Board that Ms. Poissant cease any action in connection with such matter.

5. **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 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 is setting the generator on the foundation today and next week will be pulling electrical cables and control wires. Mr. Harris reported that the contractor has also contacted the equipment manufacturer to schedule a generator start-up and training sometime in December 2010. Mr. Harris reported that Pate signed and submitted the CenterPoint proposal for raising their wires and included a check in the amount of \$5,160 for the cost.

Mr. Harris reported that four motor protection analyzers were previously installed at Water Plant No. Two. Mr. Harris reported that Roy Lackey subsequently installed power quality recorders at Water Plant No. One. Mr. Harris stated that after Mr. Lackey's preliminary review of the results, no power disturbances were detected at either of the District's water plant facilities. Mr. Harris stated that he anticipates a written report with the results will be provided in December 2010.

Mr. Harris reported that Harris County MUD No. 153 ("No. 153") anticipates upgrading the shared lift station with the District once Harris County MUD No. 494 ("No. 494") proceeds with construction of their development, which will probably be the beginning of next year.

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 early next year with construction to commence by May 2011. However, Mr. Harris noted that based on a recent conversation with a HCFCF representative, the project may be delayed somewhat.

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.

6. **Discuss and take necessary action in connection with assessment of tap fee to Northeast Baptist Church.** Mr. Harris reported that Pate previously reviewed and approved 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. Mr. Harris stated that Pate had received usage information for the church and Pate is in the process of calculating the "tax exempt entity" tap fee for the church and will provide to the Board for review and approval upon completion.

7. **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.

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

9. **Authorize capacity commitments.** Mr. Harris reported that the Niazi Family (2.7 acres) has requested capacity for a King Fuels Gas Station, McDonald's and Convenience Store. Mr. Harris reported that the District has sufficient capacity to serve the proposed gas station, McDonald's and convenience store. 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 a capacity commitment letter for the King Fuels Gas Station, McDonald's and Convenience Store.

10. **Authorize execution of revised letter agreement with WAY The Bridges At Lake Houston, Ltd. confirming the terms for purchase of wastewater treatment plant capacity.** The Board reviewed the revised letter agreement with WYA The Bridges of Lake

Houston, Ltd. (“WYA”) confirming the terms for WYA’s purchase of wastewater treatment plant capacity, copies of which are attached hereto as Exhibit “G.”

Ms. Cogburn reviewed with the Board the proposed revised terms for WYA’s purchase of wastewater treatment plant capacity from the District. It was the consensus of the Board that WYA/Harris County MUD No. 494 submit a \$1,000 “option fee” and that Ms. Cogburn further research an appropriate escalation percentage in connection with the purchase price, which would take into consideration potential inflation.

11. **Approve and authorize execution of Fourth Amended and Restated Waste Disposal Contract (confirming terms for purchase of wastewater treatment plant capacity from WYA The Bridges of Lake Houston/Harris County MUD No. 494).** The Board reviewed the revised Fourth Amended and Restated Waste Disposal Contract confirming the terms for WYA’s purchase of wastewater treatment plant capacity, copies of which are attached hereto as Exhibit “H.” Ms. Cogburn stated that the Contract will incorporate and restate all changes which have been made since July 22, 1979 (the date of the original Waste Disposal Contract), and includes the revised terms for the sale of wastewater treatment plant capacity to Harris County Municipal Utility District No. 494 (“No. 494”). Ms. Cogburn noted that the Contract has been revised to reflect the change in the participants’ pro rata share of capacity. 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 letter agreement with WAY, subject to inclusion of an appropriate escalation percentage, and the Fourth Amended and Restated Waste Disposal Contract, and to authorize execution of same upon receipt of the \$1,000 “option fee” and an executed letter agreement and Fourth Amended and Restated Waste Disposal Contract from Harris County MUD No. 494.

12. **Discuss next meeting date (December 22, 2010).** It was the consensus of the Board to keep the meeting as scheduled.

13. **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

_____, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)