

MINUTES OF MEETING OF BOARD OF DIRECTORS
APRIL 27, 2011

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, April 27, 2011, 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
Vacant, 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. 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; Mr. Noel Barfoot of McCall, Gibson, Swedlund & Barfoot, PLLC, auditor for the District; Mr. Ryan Bosse, a resident of 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 March 23, 2011, copies of which were previously distributed to the Board. 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 minutes of the meeting of March 23, 2011, as presented.

2. **Engage auditor for fiscal year ending May 31, 2011.** The President recognized Mr. Barfoot, who presented to and reviewed with the Board a proposed auditor engagement letter for the fiscal year ending May 31, 2011, a copy of which is attached hereto as Exhibit "B." Mr. Barfoot stated that the auditing fees for the eight month period ending May 31, 2010 were \$9,500 (pro-rated fees due to 8-month period) and estimated that the fees for this year would be between \$13,000 and \$15,000. 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 engage McCall Gibson Swedlund Barfoot PLLC to perform the District's audit for fiscal year ending May 31, 2011 and to authorize the President to execute the auditor engagement letter.

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 March, 2011, 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 6957 through 6982 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

4. **Adopt budget for fiscal year ending May 31, 2012.** The Board reviewed the draft budget for fiscal year ending May 31, 2012, a copy of which is attached to the Bookkeeper's Report. 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 adopt the budget for fiscal year ending May 31, 2012.

5. **Review Operations Report and authorize repairs.** Mr. Jones presented to and reviewed with the Board the Operations Report for March, 2011, a copy of which is attached hereto as Exhibit "D." Mr. Jones reported that 94.41% of the water pumped was billed for the month ending March 18, 2011.

Mr. Jones presented to and reviewed with the Board a letter from a resident on Blanco Pines Drive (Paola Lam) requesting waiver of late fees for his December 2010 and January 2011 water bills (totaling \$7.98), a copy of the letter is attached to the Operations Report. It was the consensus of the Board to deny the request.

Mr. Jones presented to and reviewed with the Board a letter from a resident on Maple Walk Drive (Todd Bilstein) requesting assistance regarding his February 2011 water bill, a copy of the letter is attached to the Operations Report. Mr. Jones noted that the resident's bill was extremely high (\$788.00) due to a leak that occurred while the resident was out of town. It was the consensus of the Board to authorize the resident to pay his February 2011 water bill in three monthly installments.

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 Operations Report and to authorize termination of service to delinquent accounts.

6. **Accept qualifications and appoint new Director.** Mr. Bosse introduced himself and reviewed his interest in serving on the Board.

Ms. Christensen noted that Mr. Bosse has executed and filed a statement of appointed official and is qualified to serve as a director for Director Andresen's unexpired term. Upon motion made by Director Bezdek, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to accept Director Bosse's qualifications. Director Bosse then executed his oath of office, qualifying him to serve.

7. **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 March, 2011 and the delinquent tax attorney report, copies of which are attached

hereto as Exhibit "E." Ms. Wagner noted that 96.95% of the District's 2010 taxes had been collected as of March 31, 2011. 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 Tax Assessor and Collector's Report, and to authorize payment of check numbers 3359 through 3363 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

8. **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 new water well no. one well motor has been installed and is operational.

Mr. Harris reported that Harris County MUD No. 153 anticipates upgrading the shared lift station with the District once Harris County MUD No. 494 proceeds with construction of their development, which has been postponed.

Mr. Harris reported that Pate has been informed by John Smaistrulla of Harris County Flood Control District's ("HCFCD") maintenance engineering group that the repair project in connection with bank failure after Hurricane Ike has been advertised for bids and construction is anticipated to commence in July 2011.

Mr. Harris reported that ST received a call from Raymond Coldwell of Harris County, who suggested that the mowing of the HCFCD drainage channel was the responsibility of the District. Discussion ensued. Mr. Harris noted that Mr. Harris reviewed with the Board a draft of a Capital Improvement Plan, a copy of which is attached hereto to the Engineer's Report.

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.

9. **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.

10. **Authorize capacity commitments.** Mr. Harris reported that there is nothing new to report in connection with the proposed construction of the Niazi Family Kings Fuel gas station, convenience store and McDonald's restaurant on 2.7 acres on West Lake Houston Parkway at Aerobic Drive. Mr. Harris stated that the engineer for the project anticipates having the design complete within the next two months.

Mr. Harris reported that there is nothing new to report in connection with the proposed construction of the convenience store on West Lake Houston Parkway at Aerobic Drive. Mr. Harris stated that the engineer for the project anticipates having the design complete within the next three weeks.

Mr. Harris reported that Pate received plans for a proposed 24-hour emergency medical clinic within Westlake-Crossing. Mr. Harris stated that the facility will hook up to utility stubs constructed as a part of the Trammel Crow development of the shopping center.

11. **Renew District Insurance with Harco/TML (expires May 1, 2011).** The Board reviewed the renewal insurance proposal submitted by Harco Insurance Services (TML), a copy of which is attached hereto as Exhibit "G." Discussion ensued regarding the discrepancies in the premiums listed for the 2010-2011 policy period versus what was paid to TML and Harco Insurance Services. Ms. Christensen stated that she will contact Harco Insurance Services regarding such discrepancies. 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 and authorize execution of the renewal insurance proposal submitted by Harco Insurance Services.

12. **Other matters.** Discussion ensued regarding the lack of "Water Conservation" signs for the District. 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 an expenditure of up to \$1,500 for "Water Conservation" signs and to authorize Director Walker to coordinate with Mr. Jones regarding the type and number of signs to be purchased.

Mr. Jones requested permission to turn over six accounts in the aggregate amount of \$512.66 to collections. 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 ST to turn over six accounts in the aggregate amount of \$512.66 to collections.

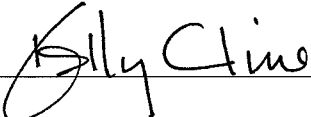
Mr. Jones noted that Harris County Municipal Utility District No. 132 ("No. 132") is performing rehabilitation on one of its water plants and may need to utilize its interconnect with the District. Mr. Jones stated that he will keep the Board informed on the status of No. 132's rehabilitation.

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
May 25, 2011.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

