

MINUTES OF MEETING OF BOARD OF DIRECTORS
AUGUST 24, 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, August 24, 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
Ryan Bosse, Director

Persons Attending. All members of the Board were present except Director Bezdek. Also attending all or parts of the meeting were Ms. Stacey 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. Brian Gerould of Pate Engineers ("Pate"), engineer for the District; Mr. Noel Barfoot of McCall Gibson Swedlund Barfoot, PLLC, auditor for the District; and Ms. Jana Cogburn 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 July 27 2011, copies of which were previously distributed to the Board. 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 minutes of the meeting of July 27, 2011, as presented.

2. **Approve audit for fiscal year ended May 31, 2011.** Mr. Barfoot presented to and reviewed with the Board McCall Gibson Swedlund & Barfoot, PLLC's audit management letter and the draft of the audit for fiscal year ended May 31, 2011, a copy of which is attached hereto as Exhibit "B." Upon motion by Director Bosse, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the audit for fiscal year ending May 31, 2011.

3. **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 July, 2011, and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "C." Ms. Wagner noted that 98.6% of the District's 2010 taxes had been

collected as of July 31, 2011. Upon motion by Director Walker, seconded by Director Bosse, 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 3380 through 3385 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

4. **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 August, 2011, a copy of which is attached hereto as Exhibit "D." 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 7064 through 7095 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

Discussion ensued regarding payment of the invoice for the website hosting. The Board agreed to discuss how to better utilize and keep the website current next month and to have this as a monthly agenda item.

5. **Adopt Resolution Reviewing Investment Policy.** Ms. Cogburn presented to the Board the Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto, a copy of which is attached hereto as Exhibit "E." The Board agreed that no changes to the Investment Policy are needed at this time. 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 adopt the Resolution Reviewing Investment Policy and Making Any Desirable Changes Thereto.

6. **Review Operations Report and authorize repairs.** Mr. Jones presented to and reviewed with the Board the Operations Report for July, 2011, a copy of which is attached hereto as Exhibit "F." Mr. Jones reported that 92.50% of the water pumped was billed for the month ending July 19, 2011.

Mr. Jones reviewed with the Board a letter from Ms. Amanda Dillon requesting that the Board consider adjusting her recent high usage water bill due to a sprinkler leak, a copy of which is attached to the Operations Report. Discussion ensued. It was the consensus of the Board to deny the request.

Mr. Jones noted that there were 201 delinquent accounts . He also requested permission to turn over seven accounts in the aggregate amount of \$559.96 to collections.

Mr. Jones requested permission to purchase a new oil well tank (that is used to drip oil into the water well) at a cost of \$2,500. In response to a question, Mr. Jones agreed to obtain more information to present next month.

Upon motion by Director Bosse, seconded by Director Walker, 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, and to authorize ST to turn over seven accounts in the aggregate amount of \$559.96 to collections.

7. **Engineer's Report.** Mr. Gerould presented to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto as Exhibit "G."

Mr. Gerould reported that Pate has not been able to reach John Smaistrulla of Harris County Flood Control District's ("HCFCD") maintenance engineering group to obtain an update on the repair project in connection with bank failure after Hurricane Ike.

Mr. Gerould reported that he is coordinating with ST to schedule a facility inspection in order to complete Pate's draft of the Capital Improvement Plan.

Mr. Gerould reported that the shared lift station with Harris County Municipal Utility District No. 153, the District, and Harris County MUD No. 494 is on hold until Harris County MUD 494 is ready to proceed with construction of their development.

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 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. **Authorize capacity commitments.** Mr. Gerould reported that no requests for capacity commitments have been received in the last month.

Mr. Gerould reported that plans were sent to Pate for review 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. Gerould reported that the District has a 10-foot water line easement and a 20-foot sanitary sewer easement adjacent to the right-of-way of the tract. Mr. Gerould stated that in order for the developer to be able to construct the improvements on the tract as the plans indicate, there would need to be Consent to Encroachment Agreements in place for several items including paving, landscaping, site lighting, fencing, and a monument sign. Mr. Gerould reviewed with the Board a draft letter with comments, a copy of which is attached to the Engineer's Report. The Board asked Mr. Gerould to obtain additional details about the type of monument, trees and lighting fixtures that will be in the District's easements.

Mr. Gerould reported that the developer is coordinating with ST to set the water meters for the 24-hour emergency medical clinic within Westlake-Crossing.

Mr. Gerould 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.

10. **Other matters.** Director Cline noted that there was concern at the Atascocita Joint Operations Board meeting last night about watering the trees at the sewage treatment plant during the drought and noted that the sewage treatment plant needs to follow the same rules as everyone else regarding watering. Discussion ensued regarding the drought and the District's water supply.

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 September 28, 2011.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

