

MINUTES OF MEETING OF BOARD OF DIRECTORS  
MARCH 23, 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, March 23, 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. 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; 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 February 23, 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 February 23, 2011, as presented.

2. **Accept qualifications and appoint new Director.** This item was tabled until the next Board meeting.

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 February, 2011, a copy of which is attached hereto as Exhibit "B." 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 6928 through 6956 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

The Board directed the bookkeeper to transfer funds from the Capital Projects Account into the Operating Account to pay for the water plant no. one generator and motor replacement projects.

Director Cline reported that at the recent Atascocita Joint Operations Board meeting, Owen Parker reported on House Bill 1542, which is a bill proposing that municipal utility districts assume road maintenance responsibilities. Director Cline stated that if such bill becomes law, the District will need to budget for the maintenance of roads in the District. Discussion ensued.

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 February, 2011 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "C." Ms. Wagner noted that 95.53% of the District's 2010 taxes had been collected as of February 28, 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 3351 through 3358 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

5. **Review Operations Report and authorize repairs.** Mr. Jones presented to and reviewed with the Board the Operations Report for February, 2011, a copy of which is attached hereto as Exhibit "D." Mr. Jones reported that 92.8% of the water pumped was billed for the month ending February 16, 2011.

Mr. Jones reported that the scale for the fluoride drum is very old and is in need of replacement. Mr. Jones stated that it will cost \$3,038.30 to replace the scale. Mr. Harris noted that there may be a recommended reduction in fluoride levels in the near future. It was the consensus of the Board to further discuss such matter, pending receipt of additional information regarding the possible reduction in recommended fluoride levels.

Mr. Jones requested permission to turn over four accounts in the aggregate amount of \$580.87 to collections and to write off two accounts in the aggregate amount of \$23.79.

Mr. Jones reported that the water well no. one new well motor has been installed and is operational. Mr. Jones noted that the freeze in February 2011 caused the 12-inch drain valve to break. Mr. Jones reported that the valve has been replaced. Mr. Jones reported that the feed line is now leaking and the spool piece needs to be replaced. Mr. Jones stated that it will cost approximately \$2,200 to replace the spool piece.

In response to a question from Director Bezdek, Mr. Jones stated that ST is aware of the low pressure problems earlier this morning. Mr. Jones stated that ST has not yet been able to determine the cause for the low water pressure. Discussion ensued.

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 Operations Report, to authorize ST to turn over four accounts in the aggregate amount of \$580.87 to

collections and to write off two accounts in the aggregate amount of \$23.79, and to authorize ST to replace the feed line spool piece.

6. **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 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 project is complete and all punch list items have been addressed. Mr. Harris reported that CenterPoint Energy has completed the installation of the taller poles and raising of their power lines. Mr. Harris stated that Pate recommends payment of Pay Estimate No. Four and Final in the amount of \$18,371.90, a copy of which is attached to the Engineer's Report. Mr. Harris noted that the District's one-year warranty runs from March 3, 2011 to March 2, 2012.

Mr. Harris reported that the new water well no. one well motor has been installed. Mr. Harris reported that ST is making some minor adjustments and repairs. Mr. Harris reviewed with the Board a letter from Nidec Motor Corporation stating that the extra drip and bake performed by Northside Electric does not void the manufacturer's three-year extended warranty on the new motor, a copy of which is attached to the Engineer's Report.

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 previously contacted Harris County Flood Control District's ("HCFCD") maintenance engineering group. Mr. Harris reported that a HCFCD representative stated that the plans for the repairs in connection with bank failure after Hurricane Ike have been presented to the Army Corp of Engineers for approval. Mr. Harris reported that once the Army Corps of Engineers has approved the permit, the project will be submitted to Commissioner's Court for authorization to bid. Mr. Harris reported that the soonest that construction will commence is July 2011. Mr. Harris noted that he will contact HCFCD for a status update.

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 approve and authorize payment of Pay Estimate No. Four and Final in the amount of \$18,371.90 in connection with the water plant no. one emergency power generator project.

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. **Authorize capacity commitments.** Mr. Harris reported that there is nothing new to report in connection with the proposed construction of a gas station, convenience store and fast food restaurant on 2.7 acres on West Lake Houston Parkway at Aerobic Drive.

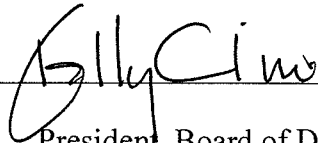
9. **Renew District Insurance with Harco/TML (expires May 1, 2011).** It was the consensus of the Board to request a renewal proposal only from Harco Insurance Services. Action on this item was tabled, pending receipt of the renewal proposal.

10. **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  
April 27, 2011.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)

