

MINUTES OF MEETING OF BOARD OF DIRECTORS  
MAY 25, 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, May 25, 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, Directory

**Persons Attending.** All members of the Board were present. Director Bezdek entered the meeting in progress. 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. Todd Billstein, 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 April 27, 2011, copies of which were previously distributed to the Board. 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 minutes of the meeting of April 27, 2011, as presented.

2. **Election of Officers.** Discussion ensued regarding the election of officers. 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 retain the officers as previously elected, with the exception of Director Bosse assuming the position of Assistant Secretary.

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 April, 2011 and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "B." Ms. Wagner noted that 97.84% of the District's 2010 taxes had been collected as of April 30, 2011. 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 Tax Assessor and Collector's Report, and to authorize payment of check numbers 3364 through 3369 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 April, 2011, a copy of which is attached hereto as Exhibit "C."

Director Bezdek entered the meeting 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 approve the Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 6983 through 7011 from the General Operating 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 stated that she will determine the status of the SPA revenue collection for Walgreens.

5. **Review Operations Report and authorize repairs.** Mr. Jones presented to and reviewed with the Board the Operations Report for April, 2011, a copy of which is attached hereto as Exhibit "D." Mr. Jones reported that 90.23% of the water pumped was billed for the month ending April 17, 2011.

Mr. Jones requested permission to turn over six accounts in the aggregate amount of \$2,163.09 to collections. 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 authorize ST to turn over six accounts in the aggregate amount of \$2,163.09 to collections.

Extensive discussion ensued regarding "Water Conservation" signs for the District. Mr. Jones stated that metal signs will cost \$75.00 per sign and the plastic cardboard signs would cost \$50.00 per sign (or \$45.00 per sign with the purchase of 10 or more signs). 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 authorize an expenditure of \$75.00 per metal sign for the purchase of 10 "Voluntary Water Conservation" signs (with the District's website noted on the sign) and to authorize ST to include a note on water bills regarding the District's Drought Contingency Plan stages and trigger conditions and what water conservation entails. The Board also requested that a note regarding water conservation be placed on the District's website along with the Drought Contingency Plan.

The President recognized Mr. Bilstein, a resident at 7438 Maple Walk Drive. Mr. Bilstein presented to and reviewed with the Board a request for an adjustment to his March and April 2011 water bills and a summary of his billing, copies of which are attached hereto as Exhibit "E." Mr. Bilstein stated that his March and April 2011 bills were extremely high (\$725.40 and \$788.10) due to a sprinkler leak that occurred while he resident was out of the country. It was noted by the Board that there is no "maintenance fee" on the water bills, but that there is a surface water conversion fee which is assessed by the West Harris County Regional Water Authority and which the District passes on to its customers. It was noted that the Board

previously authorized Mr. Bilstein the option to pay his March and April 2011 bills in three monthly installments. Mr. Bilstein thanked the Board for their consideration and then stated that he will coordinate with ST to make the monthly installment payments. Mr. Bilstein exited the meeting at this time.

Discussion ensued regarding the possibility of implementing a policy in which the District can adjust excessive water bills based on a reduced per gallon cost for usage in excess of 50,000 gallons per month. It was the consensus of the Board to further discuss this matter at the next Board meeting.

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

6. **Approve 2010 Consumer Confidence Report.** Mr. Jones reported that the Board was provided a draft of the 2010 Consumer Confidence Report ("CCR") at the previous meeting. 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 CCR and authorize distribution of same by July 1, 2010.

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 "F."

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 was previously 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 had been advertised for bids and construction is anticipated to commence in July 2011.

Mr. Harris reported that he spoke to Mr. Waymon "Buddy" Coldwell of HCFCD and Mr. Coldwell confirmed that HCFCD has and will continue to mow the drainage channel in the District. Mr. Harris noted that Mr. Coldwell's previous phone call to ST was intended to reference a portion of the channel located upstream of the District.

Mr. Harris 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. Harris reported that he has received water well production reports from GM Services for both wells. Mr. Harris stated that he has concerns about the about of sand buildup that was recorded at start-up at water well no. one. Mr. Harris stated that he will review previous production reports for water well no. one and make a recommendation at the next Board meeting.

Upon motion by Director Crocker, seconded by Director Bosse, 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. 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 few months.

Mr. Harris reported that Pate has nothing new to report on the proposed 24-hour emergency medical clinic within Westlake-Crossing.

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.

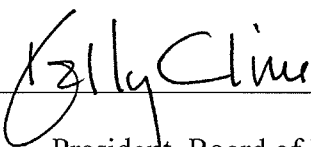
10. **Other matters.** The President reported that House Bill 1542, which is the bill that proposed that municipal utility districts assume road maintenance responsibilities, did not pass.

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  
June 22, 2011.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)

