

MINUTES OF MEETING OF BOARD OF DIRECTORS
SEPTEMBER 28, 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, September 28, 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 Walker. Director Bosse entered the meeting in progress. 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. Teague Harris of Pate Engineers ("Pate"), engineer for the District; Ms. Anthea Moran and Mr. Greg Lentz of First Southwest Company, financial advisor 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 August 24 2011, copies of which were previously distributed to the Board. 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 minutes of the meeting of August 24, 2011, as presented.

2. **Adopt Order Designating Officer to Calculate and Publish Tax Rate.** The President recognized Ms. Moran, who presented to and reviewed with the Board a cash flow analysis, a copy of which is attached hereto as Exhibit "B."

Director Bosse entered the meeting at this time.

The Board reviewed the Order Designating Officer to Calculate and Publish Tax Rate for 2011, a copy of which is attached hereto as Exhibit "C." Discussion ensued regarding the maintenance and operations tax rate. 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 adopt the Order Designating Officer to Calculate and Publish Tax Rate for 2011, thereby authorizing the District's tax assessor and collector to publish the proposed tax rate of \$0.40 per \$100 assessed valuation (\$0.35 for debt service and \$0.05 for operations and maintenance).

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 September, 2011, a copy of which is attached hereto as Exhibit "D."

Discussion ensued regarding the discrepancy in the pumpage fees (actual versus budgeted expenses). It was the consensus of the Board that Ms. Conley review the pumpage fee statements to determine the actual amount of fees paid to the West Harris County Regional Water Authority for the previous 18 months.

Upon motion by Director Bezdek, seconded by Director Bosse, 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 7096 through 7120 from the General Operating Account to the persons, in the amounts, and for the purposes listed in such report.

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 August, 2011, and the delinquent tax attorney report, copies of which are attached hereto as Exhibit "E." Ms. Wagner noted that 98.67% of the District's 2010 taxes had been collected as of August 31, 2011. 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 Tax Assessor and Collector's Report, and to authorize payment of check numbers 3386 through 3390 from the Tax Account to the persons, in the amounts and for the purposes listed in such report.

5. **Adopt Resolution Adopting Amended and Restated Code of Ethics, Fees & Expense Policy, Investment Policy, Policies and Procedures For Selection and Review of Consultants, Policies Concerning the Use of Management Information Including the Formation of an Audit Committee, Appointing Investment Officers, and Certain Other Matters.** The Board reviewed the Resolution Adopting an Amended and Restated Code of Ethics, Fees & Expense Policy, Investment Policy, Policies and Procedures For Selection and Review of Consultants, Policies Concerning the Use of Management Information Including the Formation of an Audit Committee, Appointing Investment Officers, and Certain Other Matters, a copy of which is attached hereto as Exhibit "F." Ms. Cogburn noted that the changes made to the Authority's Investment Policy were made in accordance with changes in the Public Funds Investment Act. 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 adopt the Resolution Adopting an Amended and Restated Code of Ethics, Fees & Expense Policy, Investment Policy, Policies and Procedures For Selection and Review of Consultants, Policies Concerning the Use of Management Information Including the Formation of an Audit Committee, Appointing Investment Officers, and Certain Other Matters.

6. **Review Operations Report and authorize repairs.** Mr. Jones presented to and reviewed with the Board the Operations Report for August, 2011, a copy of which is attached hereto as Exhibit "G." Mr. Jones reported that 93% of the water pumped was billed for the month ending August 17, 2011.

Discussion ensued regarding the sanitary sewer line that was televised and cleaned at 7526 Blanco Pines on August 11, 2011.

Mr. Jones requested permission to turn over five accounts in the aggregate amount of \$462.51 to collections and to write off two accounts in the aggregate amount of \$44.63.

In response to a question, Mr. Jones reported that "voluntary water conservation" signs were posted in the District in June 2011.

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, to authorize termination of service to delinquent accounts, and to authorize ST to turn over five accounts in the aggregate amount of \$462.51 to collections and to write off two accounts in the aggregate amount of \$44.63.

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 "H."

Mr. Harris reported that, according to a Harris County Flood Control District ("HCFCD") inspector, construction was expected to commence yesterday on the channel restoration work in connection with the bank failure after Hurricane Ike.

Mr. Harris reported that he met with Mr. Jones to inspect the District's water plant facilities in order to complete Pate's draft of the Capital Improvement Plan. Mr. Harris reported that both of the District's water plants are in good condition. Mr. Harris noted that the ground storage tank and hydro-pneumatic tank interiors will be inspected early next year when the water demands are at their lowest (January 2012-February 2012).

Mr. Harris reported that the shared lift station with Harris County Municipal Utility District No. 153 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 Bosse, seconded by Director Crocker, 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 no requests for capacity commitments have been received in the last month.

Mr. Harris 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. Harris reported that Pate has sent a plan review letter to Niazi's engineer requesting additional information in connection with the monument and other facilities (including paving, landscaping, site lighting, fencing) that the Board requested prior to the Board's consideration of a Consent to Encroachment of the District's 10-foot water line easement and a 20-foot sanitary sewer easement adjacent to the right-of-way of the tract.

Mr. Harris reported that the ST has set the water meters for the 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.

Mr. Harris reported that Pate received an email from the Westlake Crossing engineer requesting permission to re-locate a sanitary sewer line and revise the existing 35-foot utility easement to a 25-foot utility easement to accommodate the construction of a new building. Mr. Harris stated that he is reviewing the plans and coordinating with the District's operator to determine if granting such request is possible.

10. **Approve rental agreement with ES&S for election equipment for May 2012 election.** Ms. Cogburn presented to and reviewed with the Board an Agreement for the Rental of Equipment and Sale of Services with ES&S for electronic voting machines for the May 2012 Director elections, if necessary, a copy of which is attached hereto as Exhibit "I." Ms. Cogburn noted that the District would not be responsible for any fees to ES&S if the District notifies ES&S, in writing, 30 days prior to April 1, 2012 of cancellation of the election. Ms. Cogburn noted that there is a possibility that the District can delay its May 2012 election until November 2012 or even May 2013. Ms. Cogburn stated that she will keep the Board posted on the status of such matters. 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 the Agreement for the Rental of Equipment and Sale of Services with ES&S.

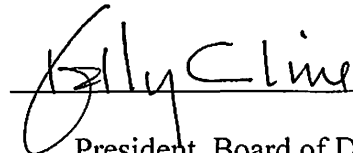
11. **Discuss and take necessary action in connection with website content.** Discussion ensued regarding how to better utilize and keep the website current. Ms. Christensen stated that she will provide the Board's requested updates to the website host. It was the consensus of the Board to further discuss the matter at the next Board meeting.

12. **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
October 26, 2011.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

