

**MINUTES OF MEETING OF BOARD OF DIRECTORS
AUGUST 18, 2009**

THE STATE OF TEXAS §
COUNTY OF HARRIS §
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151 §

The Board of Directors (the “Board”) of Harris County Municipal Utility District No. 151 (the “District”) met in special session, open to the public, at Fulbright & Jaworski L.L.P., 1301 McKinney, 51st Floor, Houston, Texas, 77010, at 11:30 a.m on August 18, 2009, whereupon the roll was called of the members of the Board, to-wit:

Kent F. Spitzmiller, President
Bill Walker, Vice President
William “Lisle” Wade, Secretary
Herman Jordan, Treasurer
Kim O’Hara, Assistant Secretary

Persons Attending. All members of the Board were present. Also attending all or parts of the meeting were Mr. Leroy Mensik of Severn Trent Services, Inc. (“ST”), operator for the District; Ms. Shirley McLennan of McLennan and Associates, bookkeeper for the District; Ms. Rebecca Martinez of Wheeler and Associates, tax assessor and collector for the District; Mr. Noel Barfoot of McCall Gibson Swedlund Barfoot PLLC, auditor for the District; Mr. Joe Stunja of Pinehurst Trail Holdings LLC, an owner of undeveloped land in the District; and Ms. Jana Cogburn and Ms. Carla Christensen of Fulbright & Jaworski L.L.P. (“F&J”), attorneys for the District. There were no members of the public in attendance at the meeting.

Call to Order. The meeting was called 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.** Proposed minutes of the meeting of the Board held July 14, 2009, previously distributed to the Board, were presented for review and approval. Upon motion by Director Wade, seconded by Director Jordan, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of July 14, 2009, as presented.

2. **Engage auditor for fiscal year ending September 30, 2009.** The President recognized Mr. Barfoot, who presented to and reviewed with the Board a proposed auditor engagement letter for the fiscal year ending September 30, 2009, a copy of which is attached hereto as Exhibit “B.” Mr. Barfoot estimated that auditing fees for fiscal year ending September 30, 2009 will be between \$12,500 and \$14,500. Upon motion by Director Jordan, seconded by Director Wade, after full discussion and the question being put to the Board, the Board voted unanimously (Director Spitzmiller abstaining) to engage McCall Gibson Swedlund Barfoot PLLC to perform the District’s audit for fiscal year ending September 30, 2009 and to authorize the President to execute the auditor engagement letter.

Mr. Barfoot requested that the Board consider moving its fiscal year end from September 30th to May 31st. It was the consensus of the Board to consider changing the fiscal year end of the District from September 30th to May 31st at its September meeting.

3. **Tax Collector's Report.** Ms. Martinez presented to and reviewed with the Board the Tax Collector's Report for July, 2009, a copy of which is attached hereto as Exhibit "C." Ms. Martinez reported that the District had collected 99.46% of its 2008 taxes as of July 31, 2009. Upon motion by Director Walker, seconded by Director Wade, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Collector's Report, and to authorize payment of check numbers 2523 through 2528 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

Ms. Martinez reported that the 2009 preliminary taxable value (excluding personal property) is \$412,821,464.

Discussion ensued. The Board directed Ms. Martinez to not pursue collections on any delinquent personal property accounts if the amount owed is less than \$20.00.

4. **Adopt Resolution Nominating Candidate for a Position on the Board of Directors of Harris County Appraisal District.** The Board reviewed a letter and memorandum from the Harris County Appraisal District, copies of which are attached hereto as Exhibit "D." No action was taken on this item.

5. **Bookkeeper's Report.** Ms. McLennan presented to and reviewed with the Board the Bookkeeper's Report for the period ending August 18, 2009, certain statements for payment and the monthly Investment Report for activity through July 31, 2009, copies of which are attached hereto as Exhibit "E." Upon motion by Director Wade, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 6593 through 6644 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report.

6. **Approve budget for fiscal year ending September 30, 2010.** Ms. McLennan presented to and reviewed with the Board the draft budget for fiscal year ending September 30, 2010, a copy of which is attached to the Bookkeeper's Report. Discussion ensued. It was the consensus of the Board that Ms. McLennan prepare a revised budget assuming a fiscal year ending May 31, 2010 for the Board's review at the next meeting.

7. **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 "F." The Board agreed that no changes to the Investment Policy are needed at this time. Upon motion by Director Walker, seconded by Director Jordan, 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.

8. **Review Operations Report and authorize repairs.** Mr. Mensik presented to and reviewed with the Board the monthly Operations Report for July, 2009, a copy of which is attached hereto as Exhibit "G." Upon motion by Director Wade, seconded by Director Jordan,

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 the delinquent accounts.

9. **Approve and authorize execution of Contract with Compass Bank for “Lock Box” payment options.** Mr. Mensik reviewed with the Board the agreement between Compass Bank and the District for a “lock box” payment system, which would allow District customers a variety of options for bill payment. Mr. Mensik stated that such agreement, once executed by the Board, will be executed by the bank. Upon motion by Director Jordan, seconded by Director O’Hara, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize execution of the electronic payment service documents with Compass Bank.

10. **Review Engineer’s Report.** There was no engineer’s report at this time.

11. **Discuss and take necessary action in connection with City of Houston Strategic Partnership Agreement.** Ms. Cogburn reported that the City of Houston is moving forward with another round of Strategic Partnership Agreements. No action was taken.

12. **Status report on District website.** Director Spitzmiller reviewed with the Board a summary of information relating to the usage of the website for the last month, a copy of which is attached hereto as Exhibit “H.”

13. **Public Comments.** There were no members of the public in attendance.

14. **Other matters.** Mr. Stunja noted that he coordinated with the District’s tax assessor and collector to resolve numerous delinquent accounts for Friendswood Development Company.

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 foregoing minutes were passed and approved by the Board of Directors on September 8, 2009.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)