

**MINUTES OF MEETING OF BOARD OF DIRECTORS
APRIL 13, 2010**

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 regular session, open to the public, at Fulbright & Jaworski L.L.P., 1301 McKinney, 51st Floor, Houston, Texas, 77010, at 11:30 a.m on April 13, 2010, 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. Diane Fingleman of McLennan and Associates, bookkeeper for the District; Ms. Rebecca Martinez of Wheeler & Associates, tax assessor and collector for the District ; Ms. Anthea Moran of First Southwest Company, financial advisor for the District; Mr. Noel Barfoot of McCall, Gibson, Swedlund & Barfoot, PLLC, auditor for the District; Mr. Joe Stunja of Pinehurst Trail Holdings, a landowner in the District; Ms. Sally Medler and Mr. Jerry Berry, residents 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 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 March 9, 2010, 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 March 9, 2010, as presented.

2. **Review electricity rates and take necessary action in connection with contract with Direct Energy.** The President reported that he contacted Ms. Karen Sears (Acclaim Energy) to obtain electricity pricing options for locking in a price now for future years. The President noted that he is still awaiting a response from Acclaim Energy in connection with the prices received for the Board’s consideration. It was noted that the District’s current contract does not expire until March 2013.

3. **Engage auditor for the eight month period ending May 31, 2010.** The President recognized Mr. Barfoot, who presented to and reviewed with the Board a proposed auditor engagement letter for the eight month period ending May 31, 2010, a copy of which is attached hereto as Exhibit “B.” Mr. Barfoot estimated that auditing fees for eight month period

ending May 31, 2010 will be between \$8,500 and \$9,500, which are 2/3rds of the typical fees to reflect the eight month time period. Upon motion by Director Jordan, seconded by Director Wade, after full discussion and the question being put to the Board, the Board voted (Director Sptizmiller abstaining) to engage McCall Gibson Swedlund Barfoot PLLC to perform the District's audit for the eight month period ending May 31, 2010 and to authorize the President to execute the auditor engagement letter.

4. **Tax Collector's Report.** Ms. Martinez presented to and reviewed with the Board the Tax Collector's Report for March, 2010, a copy of which is attached hereto as Exhibit "C." Ms. Martinez reported that the District had collected 95.93% of its 2009 taxes as of March 31, 2010. 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 accept the Tax Collector's Report, and to authorize payment of check numbers 2595 through 2600 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

5. **Bookkeeper's Report.** Ms. Fingleman presented to and reviewed with the Board the Bookkeeper's Report for the period ending April 13, 2010, certain statements for payment, and the monthly Investment Report for activity through March 31, 2010, copies of which are attached hereto as Exhibit "D." Upon motion by Director Jordan, seconded by Director Wade, 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 6908 through 6950 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report.

6. **Adopt budget for fiscal year ending May 31, 2011.** The Board reviewed the draft budget for fiscal year ending May 31, 2011, a copy of which is attached to the Bookkeeper's Report. Upon motion by Director Jordan, seconded by Director Wade, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the budget for fiscal year ending May 31, 2011, as presented.

7. **Review Operations Report and authorize repairs.** Mr. Mensik presented to and reviewed with the Board the monthly Operations Report for March, 2010, a copy of which is attached hereto as Exhibit "F."

Mr. Mensik reviewed with the Board a letter from a resident (Mr. Michael Flynn) requesting that the disconnect and reconnect fees assessed to his account be credited back to his account, a copy the letter is attached to the Operations Report. Mr. Mensik noted that service to the account was terminated due to a delinquent account balance. The Board reviewed the account's payment history.

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 approve the Operations Report, to authorize termination of service to the delinquent accounts and to deny Mr. Flynn's request.

8. **Review Engineer's Report.** There was no engineer's report at this time.

9. **Review Drought Contingency Plan.** The Board reviewed the previously adopted Drought Contingency Plan, a copy of which is attached hereto as Exhibit "F." 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 adopt the Resolution Reviewing Drought Contingency Plan.

10. **Discuss and take necessary action in connection with Directors Election.** Discussion ensued. It was noted that the District will be holding its election on May 8, 2010.

11. **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 "G."

12. **Public Comments.** The President reported that he has been approached by a number of residents in the District regarding the possibility of the District charging fixed or reduced water and sewer rates to persons 65 years of age or older. Discussion ensued.

The President recognized Mr. Stunja, who reported that the residents of the Atascocita Community Improvement Association voted against the purchase of the golf course property. Mr. Stunja reviewed with the Board the new proposed parcel plan for the former golf course property, a copy of which is attached hereto as Exhibit "H." Discussion ensued.

13. **Other matters.** Ms. Moran presented to and reviewed with the Board a final analysis for refunding the District's Series 1999 Bonds, a copy of which is attached hereto as Exhibit "I." Discussion ensued. Ms. Moran noted that the closing on the bonds is scheduled for April 27, 2010.

Ms. Cogburn stated that the District has received a subpoena requesting all documentation relating to 6907 Harvest Glen Drive and/or Derik and Jennifer Scott. Mr. Mensik stated that ST will respond to such Subpoena.

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 May 11, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)