

**MINUTES OF MEETING OF BOARD OF DIRECTORS
FEBRUARY 9, 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 February 9, 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. Shirley McLennan of McLennan and Associates, bookkeeper for the District; Ms. Stacy Wagner of Wheeler & Associates, tax assessor and collector for the District ; Ms. Melinda Garza of AECOM, engineer for the District; Ms. Anthea Moran of First Southwest Company, financial advisor for the District; Mr. Joe Stunja of Pinehurst Trail Holdings, a landowner in the District; Mr. Ryan Getz of Ward, Getz & Associates, LLP, engineer for the Kings River Village Home Owners Association (“HOA”); Mr. David Allen and Mr. Andy Bergman with the HOA, residents of the District; Mr. Jerry Berry (19918 Hickory Wind Drive), Mr. John Medler and Mrs. Sally Medler (19419 Texas Laurel Trail), 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 January 12, 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 January 12, 2010, as presented.

2. **Approve Annual Report on Financial Information and Operating Data.** Ms. Cogburn presented to the Board the Annual Report of Financial Information and Operating Data, a copy of which is attached hereto as Exhibit “B.” Ms. Cogburn stated that the District is required to update the District’s operating and financial information on an annual basis under the orders for its post-1995 bond issues. 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 Annual Report of Financial Information and Operating Data and to authorize the filing of such report with the Municipal Securities Rulemaking Board.

3. **Tax Collector's Report.** Ms. Wagner presented to and reviewed with the Board the Tax Collector's Report for January, 2010, a copy of which is attached hereto as Exhibit "C." Ms. Wagner reported that the District had collected 90.59% of its 2009 taxes as of January 31, 2010. 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 Tax Collector's Report, and to authorize payment of check numbers 2570 through 2577 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

4. **Bookkeeper's Report.** Ms. McLennan presented to and reviewed with the Board the Bookkeeper's Report for the period ending February 9, 2010, certain statements for payment, and the monthly Investment Report for activity through January 31, 2010, copies of which are attached hereto as Exhibit "D." 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 6821 through 6862 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report.

In response to a question from Director Spitzmiller, Ms. Christensen stated that she will provide him with the current electricity contract with Direct Energy.

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

Mr. Mensik reported that in the past month there were two water line breaks, both of which have been repaired.

Mr. Mensik noted that service was terminated for 33 delinquent accounts in January 2010.

The Board reviewed a letter from Mr. James Aiello (19707 Satinwood Trail) requesting adjustment to his water bill because of higher than normal usage due to a water leak, a copy of which is attached hereto as Exhibit "F." Mr. Mensik noted that the leak was on the homeowner's side of the water line. It was the consensus of the Board to deny the resident's request.

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

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

7. **Approve Emergency Preparedness Plan and authorize filing of same with TCEQ.** Ms. Garza reported that AECOM is completing preparation of the required Emergency Preparedness Plan. 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

draft of the Emergency Preparedness Plan and authorize the filing of the same with TCEQ by March 1, 2010.

8. **Adopt Order Calling Director's Election.** The Board reviewed the draft Order Calling Directors Election, a copy of which is attached hereto as Exhibit "G." 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 adopt the Order Calling Directors Election.

9. **Approve posting Notice of Deadline for Filing Applications for Place on Ballot.** The Board reviewed the Notice of Deadline to File Applications for Place on Ballot, a copy of which is attached hereto as Exhibit "H." 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 and have the Notice of Deadline to File Applications for Place on Ballot posted in the District.

10. **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 "I."

11. **Public Comments.** The President recognized Mr. Stunja, who reported that Pinehurst Trail Holdings hopes to transfer ownership of the golf course property by the end of May 2010 and if the property is not purchased by then, may divide the land into smaller parcels or sell it at auction. Mr. Stunja requested that the Board consider whether the District will ever need additional land for District facilities.

Ms. Moran presented to and reviewed with the Board an analysis for refunding the District's Series 1999 Bonds, a copy of which is attached hereto as Exhibit "J." Discussion ensued. It was the consensus of the Board for the District's consultants to proceed with preparation of a Preliminary Official Statement and other documents for a refunding bond issuance.

The President recognized Mr. Getz, who reviewed with the Board a letter from the Kings River Homeowners Association ("HOA") and a preliminary design for drainage ditch improvements to the ditch located between Redbud Trail and Kings River Drive, copies of which are attached hereto as Exhibit "K" Mr. Getz stated that the HOA is requesting that the District help fund improvements to the drainage ditch which will cost approximately \$200,000. Ms. Cogburn reported that the District executed (and the HOA consented to) Release of Drainage Easement in connection with such property on April 13, 2004, a copy of which is attached hereto as Exhibit "L." Discussion ensued. It was the consensus of the Board that F&J further research such matter and that the HOA contact Harris County regarding funding for the necessary maintenance and repairs.

The President recognized Mr. Berry, who thanked the Board members for their many years of diligent service and for continually lowering the tax rate. Mr. Berry also expressed his opposition to the District purchasing the golf course property.

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 foregoing minutes were passed and approved by the Board of Directors on March 9, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)