

**MINUTES OF MEETING OF BOARD OF DIRECTORS
JANUARY 12, 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 January 12, 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. Rebecca Martinez of Wheeler & Associates, tax assessor and collector for the District ; Mr. Noel Barfoot of McCall Gibson Swedlund Barfoot PLLC, auditor for the District; Ms. Christine Alderman, 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 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 December 8, 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 December 8, 2009, as presented.

2. **Approve Release and Indemnity Agreement (20807 Meadow Belle Court) for sanitary sewer back-up and authorize payment in connection with same.** Director Spitzmiller reported that tree roots infiltrated the sewer stack located near 20807 Meadow Belle Court, which caused a sanitary sewer back-up in the residence at 20807 Meadow Belle Court. Mr. Mensik reviewed with the Board photographs of the broken sewer pipe, copies of which are attached hereto as Exhibit “B.” Director Spitzmiller stated that Christine Alderman, the owner of the house, submitted an invoices from ServPro of Kingwood for cleaning and a cost estimate from Lowe’s Home Centers, Inc. for the replacement of carpet, copies of which are attached to the form of the Release and Indemnity Agreement in connection with the sanitary sewer back-up, a copy of which is attached hereto as Exhibit “C.” Director Spitzmiller recommended payment to Christine Alderman in the amount of \$4,492.69 and accepting the signed Release and Indemnity Agreement in connection with the repairs to the residence. Ms. Christensen noted that

Ms. Alderman has executed the Release and Indemnity Agreement. Upon motion by Director Wade, seconded by Director O'Hara, after full discussion and the question being put to the Board, the Board voted unanimously to authorize payment for the cleaning and replacement of carpet (\$4,492.69) and to accept the executed Release and Indemnity Agreement from the homeowner at 20807 Meadow Belle Court.

3. **Approve audit for fiscal year ended September 30, 2009.** Mr. Swedlund presented to and reviewed with the Board a draft of the audit for fiscal year ended September 30, 2009, a copy of which is 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 approve the audit for fiscal year ending September 30, 2009, subject to a ten-day review period, and to authorize the filing thereof with the TCEQ.

4. **Tax Collector's Report.** Ms. Martinez presented to and reviewed with the Board the Tax Collector's Reports for November and December, 2009, copies of which are attached hereto as Exhibit "E." Ms. Martinez reported that the District had collected 99.82% of its 2008 taxes and 56.46% of its 2009 taxes as of December 31, 2009. Upon motion by Director Walker, seconded by Director O'Hara, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Collector's Reports, and to authorize payment of check numbers 2547 through 2569 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

5. **Bookkeeper's Report.** Ms. McLennan presented to and reviewed with the Board the Bookkeeper's Report for the period ending January 12, 2010, certain statements for payment, and the monthly Investment Report for activity through December 31, 2009, copies of which are attached hereto as Exhibit "F." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 6778 through 6820 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report.

6. **Review Operations Report and authorize repairs.** Mr. Mensik presented to and reviewed with the Board the monthly Operations Report for December, 2009, a copy of which is attached hereto as Exhibit "G."

Mr. Mensik requested permission to send to collections two accounts in the aggregate amount of \$115.06.

Mr. Mensik noted that there are currently 119 delinquent accounts and that service was terminated for 32 delinquent accounts in December 2009.

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, to authorize termination of service to the delinquent accounts and to authorize the Operator to send two accounts in the aggregate amount of \$115.06 to collections.

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

8. **Adopt Order Calling Director's Election.** Director Spitzmiller confirmed that Mr. and Mrs. Blair will serve as the election officials if an election becomes necessary. Action on this item was tabled until the next Board meeting.

9. **Adopt Order Authorizing Exemptions from Taxation.** Ms. Cogburn presented to and reviewed with the Board the Order Adopting Exemption from Taxation for Individuals Who are Disabled or are 65 Years of Age or Older, a copy of which is attached hereto as Exhibit "H." It was the consensus of the Board to maintain the exemption amount at \$40,000. 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 Adopt the Order Authorizing Exemption from Taxation for Individuals Who are Disabled or are 65 Years of Age or Older, thereby authorizing such exemption in the amount of \$40,000 of appraised value.

10. **Authorize 20% penalty for delinquent tax accounts.** 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 Resolution Authorizing Additional Penalty on Delinquent Taxes remaining delinquent on April 1, 2010 for personal property and remaining delinquent on July 1, 2010 for other property, a copy of which is attached hereto as Exhibit "I."

11. **Renew District Insurance (expires 2/20/2010).** The Board reviewed the insurance renewal proposal from Harco Insurance Services, a copy of such summary is attached hereto as Exhibit "J." It was noted that Director Walker previously signed and submitted to the Board an affidavit regarding his employment by Harco Insurance Services, a copy of such affidavit is attached hereto as Exhibit "J-1." Upon motion made by Director Wade, seconded by Director O'Hara, after full discussion and the question being put to the Board, the Board voted unanimously (Director Walker abstaining) to renew the District's Insurance with Harco Insurance Services/TML.

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 "K."

13. **Public Comments.** Discussion ensued regarding the Atascocita Golf Course.

There were no additional members of the public in attendance.

14. **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 February 9, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)