

**MINUTES OF MEETING OF BOARD OF DIRECTORS
MAY 11, 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 May 11, 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 except Director Wade. Also attending all or parts of the meeting were Mr. Leroy Mensik of Severn Trent Services, Inc. (“ST”), operator for the District; Ms. Judy Osborn of McLennan and Associates, bookkeeper for the District; Ms. Rebecca Martinez of Wheeler & Associates, tax assessor and collector for the District; Ms. Karen Sears of Acclaim Energy; Mr. Joe Stunja of Pinehurst Trail Holdings, a landowner in the District; Ms. Mary Ann Lapez 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 April 13, 2010, previously distributed to the Board, were presented for review and approval. Upon motion by Director Jordan, seconded by Director Walker, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of April 13, 2010, as presented.

2. **Adopt Order Canvassing Election.** The President noted that the election cannot be canvassed until the Early Voting Ballot Board convenes to review the one outstanding provisional vote. Discussion ensued. It was the consensus of the Board to hold a special meeting on Monday, May 17, 2010 at 7:00 p.m. at 20215 Pinehurst Trail Drive to adopt the Order Canvassing the Election.

3. **Accept Certificates of Election and Qualify Directors.** There was no action taken on this item.

4. **Election of Officers.** There was no action taken on this item.

5. **Tax Collector's Report.** Ms. Martinez presented to and reviewed with the Board the Tax Collector's Report for April, 2010, a copy of which is attached hereto as Exhibit "B." Ms. Martinez reported that the District had collected 96.59% of its 2009 taxes as of April 30, 2010. 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 accept the Tax Collector's Report, and to authorize payment of check numbers 2601 through 2603 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

6. **Bookkeeper's Report.** Ms. Osborn presented to and reviewed with the Board the Bookkeeper's Report for the period ending May 11, 2010, certain statements for payment, and the monthly Investment Report for activity through April 30, 2010, copies of which are attached hereto as Exhibit "C." 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 Bookkeeper's Report, to approve the Investment Report, and to authorize payment of check numbers 6951 through 6988 from the General Fund in the amounts, to the persons, and for the purposes listed in such Report.

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

Mr. Mensik reported that there were 104 delinquent accounts this month.

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

8. **Approve Consumer Confidence Report.** Mr. Mensik reviewed with the Board the draft 2009 Consumer Confidence Reports ("CCR"), a copy of which is attached hereto as Exhibit "D." 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 approve the CCR and to authorize ST to send the CCR to District customers by July 1, 2010.

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

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 "E."

11. **Public Comments.** The President recognized Ms. Lapez, who read a letter regarding her concerns with the recent election, a copy of which is attached hereto as Exhibit "E." Discussion ensued. Ms. Lapez offered to coordinate with the Board in 2012 to retain the services of individuals willing to serve as election officials and to have a more public polling location.

12. **Review electricity rates and take necessary action in connection with contract with Direct Energy.** Discussion ensued regarding the current electricity contract with Direct Energy.

Ms. Sears entered the meeting at this time.

The President recognized Ms. Sears, who reported that electricity rates are currently decreasing. Ms. Sears reported that the District's current electricity rate with Direct Energy is 0.096911 per kWh and the current electricity contract with Direct Energy does not expire until the end of March 2013. Ms. Sears stated that Acclaim Energy is working with Direct Energy and other municipal utility districts to form an aggregate of entities which would be offered a lower "heat rate" rate and extend the contract. In response to a question, Ms. Sears noted that Direct Energy does not typically enter into Blend and Extend contracts. In response to a question, Ms. Sears stated that the District would be penalized approximately \$56,000 if the contract with Direct Energy is terminated early. It was the consensus of the Board that Ms. Sears attend the next Board meeting and provide a proposal to the Board for canceling the current contract with Direct Energy and pricing options for a new electricity contract.

13. **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 June 8, 2010.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)