

**MINUTES OF MEETING OF BOARD OF DIRECTORS  
JANUARY 10, 2012**

THE STATE OF TEXAS

COUNTY OF HARRIS

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 151

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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 10, 2012, 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 and Mr. Larry Jones of Severn Trent Services, Inc. ("ST"), operator for the District; Ms. Shirley McLennan of McLennan and Associates, bookkeeper for the District; Ms. Brandy Woods of Wheeler & Associates, tax assessor and collector for the District; Mr. Greg Lentz of First Southwest Company, financial advisor for 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 13, 2011, 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 13, 2011, as presented.

2. **Adopt Order Calling Director's Election.** This item was tabled until the next Board meeting.

3. **Tax Collector's Report.** Ms. Woods presented to and reviewed with the Board the Tax Collector's Report for December, 2011, a copy of which is attached hereto as Exhibit "B." Ms. Woods noted that the District had collected 99.86% of its 2010 taxes and 37.5% of its 2011 taxes as of December 31, 2011. 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 2740 through 2745 from the Tax Account in the amounts, to the persons and for the purposes listed in such Report.

4. **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 "C." It was the consensus of the Board to maintain the exemption amount at \$40,000. 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 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.

5. **Adopt Order Authorizing Additional Penalty on Taxes.** Upon motion by Director O'Hara, seconded by Director Wade, 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, 2012 for personal property and remaining delinquent on July 1, 2012 for other property, a copy of which is attached hereto as Exhibit "D."

6. **Bookkeeper's Report.** Ms. McLennan presented to and reviewed with the Board the Bookkeeper's Report for the period ending January 10, 2012, certain statements for payment, and the monthly Investment Report for activity through December 31, 2011, 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 7720 through 7748 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 December, 2011, a copy of which is attached hereto as Exhibit "F."

Mr. Mensik requested permission to turn over one account in the amount of \$211.82 to collections.

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 delinquent accounts and to authorize ST to turn over one account in the amount of \$211.82 to collections.

8. **Review Engineer's Report.** The President reported that the engineer has nothing to report at this time.

9. **Renew District Insurance (expires 2/20/2012).** The Board reviewed the insurance renewal proposal from Harco Insurance Services, a copy of such summary is attached hereto as Exhibit "G." Director Walker stated that he is abstaining from discussion and voting due to a conflict of interest. Upon motion made by Director Wade, seconded by Director Jordan, 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.

10. **Other matters.** Mr. Lentz presented to and reviewed with the Board an analysis for refunding the District's Series 2003 Bonds, a copy of which is attached hereto as Exhibit "H." 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.

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 "I."

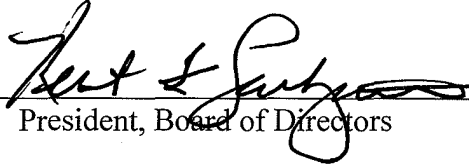
12. **Public Comments.** There were no comments from the public at this time.

There were no other matters to come before the Board.

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 14, 2012.

  
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President, Board of Directors

ATTEST:

  
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Secretary, Board of Directors

(DISTRICT SEAL)

