

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 391

February 11, 2019

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 391 (the "District") met in regular session, open to the public, on the 11th day of February, 2019, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Alan Greenwood	President
Robert McShane	Vice President
Catherine Shook	Secretary
John Sachs	Assistant Vice President
Nathan Giannelli	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Justin Wagner of R.G. Miller Engineers, Inc. ("RG Miller"); Demitra Berry of McLennan & Associates, LP; Debbie Arellano of Bob Leared Interests; Teri Laguarta of Inframark Water & Infrastructure Services ("Inframark"); Bob DeForest of KGA DeForest/Design, LLC ("KGA"); Greg Lentz of Masterson Advisors LLC; Andrew Rue of Woodmere Development Company, Ltd.; Tom Engert, District resident; and Greer Pagan and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There were no public comments.

MINUTES

The Board first considered approving the minutes of the January 14, 2019, regular meeting. After review and discussion, Director Giannelli moved to approve the minutes. Director Shook seconded the motion, which passed by unanimous vote.

ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND SUMMER CONFERENCE

Director Shook discussed seminars and issues discussed at the Association of Water Board Directors winter conference. Upon a motion made by Director McShane and seconded by Director Giannelli, the Board unanimously approved reimbursement

of eligible expenses for Directors attending the winter conference and authorized attendance by the directors at the AWBD summer conference.

FINANCIAL AND BOOKKEEPING MATTERS

The Board next received the bookkeeper's report and considered payment of invoices submitted to the District. Ms. Berry reviewed with the Board an investment report, budget comparisons, an amended budget, checks written since the report was prepared and tax transfers. Copies of the bookkeeper's report and list of bills presented for payment are attached.

After review and discussion, Director Giannelli moved to approve the bookkeeper's report and payment of the bills. Director Shook seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS AND COLLECTION OF DELINQUENT TAXES

The Board next received the tax assessor/collector's written report for January, 2019, including updated certified values for 2018 and considered payment of the tax bills. Copies of the tax assessor/collector's report and list of checks presented for approval are attached.

Following review and discussion, Director Shook moved to (1) accept the tax assessor/collector's report, as amended; and (2) pay the bills described therein. Director Giannelli seconded the motion, which was approved by unanimous vote.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Mr. Lentz reviewed a 2019 tax rate/homestead analysis and Mr. Pagan reviewed a proposed Resolution Concerning Exemption from Taxation. After discussion, Director Shook moved that the Board adopt the Resolution, which grants a \$30,000 homestead exemption for residents who are disabled or over 65 years of age and 5% of the appraised value (but not less than \$5,000) of the residence homesteads. The motion was seconded by Director McShane and carried unanimously.

ENGINEERING MATTERS

Mr. Wagner generally reported on engineering projects within the District. A copy of the engineer's report is attached.

Mr. Wagner discussed the District's current wastewater treatment capacity and options for expansion of the wastewater treatment plant. He and Ms. Laguarda also

discussed maintenance and operation of the wastewater treatment plant. Mr. Wagner requested authorization to begin design of a proposed wastewater treatment plant expansion. Following review and discussion, the Board concurred to defer discussion until the March, 2019 Board meeting.

Mr. Wagner next discussed the status of construction of water, sewer and drainage facilities to serve Villages of Cypress Lakes, Section 34 and recommended that the Board approve Pay Estimate No. 3 and Final in the amount of \$8,500, payable to Kenneth Lamb Construction Co., Ltd.

Following review and discussion, Director Giannelli moved to (1) approve the engineering report; and (2) approve Pay Estimate No. 3 and Final in the amount of \$8,500, payable to Kenneth Lamb Construction Co., Ltd for construction of water, sewer and drainage facilities to serve Villages of Cypress Lakes, Section 34. Director Shook seconded the motion which passed unanimously.

LAKE AND TURF MANAGEMENT REPORT

Director Shook updated the Board regarding lake and fountain maintenance by LakePro, Inc. Following review and discussion, the Board concurred to authorize repair of Fountain No. 4 in Lake No. 2 for an amount of \$1,716.

MASTER PARKS AND FUTURE PARK DEVELOPMENT

Mr. DeForest reviewed a report from KGA, a copy of which is attached.

OPERATION OF DISTRICT FACILITIES

Ms. Laguarda presented the operator's report for December, 2018, a copy of which is attached, and discussed significant repairs completed during the month.

Ms. Laguarda next requested permission to refer 6 accounts to collections.

Ms. Laguarda discussed an excursion at the wastewater treatment plant during the month of February, 2019 and said Inframark is meeting with the sampling laboratory tomorrow to discuss a possible sampling error.

Upon a motion made by Director Giannelli and seconded by Director Shook, the Board voted unanimously to (1) approve the operator's report; and (2) authorize the District operator to refer 6 accounts to collections.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

The Board next considered termination of utility service to delinquent accounts. Ms. Laguarda reported that the customers on the termination list were mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why utility service should not be terminated for reason of nonpayment. Director Giannelli moved that, since the customers on the list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with procedures set forth in the Rate Order. Director Shook seconded the motion, which carried unanimously.

DEVELOPMENT IN THE DISTRICT

Mr. Rue reported regarding development in the District.

SECURITY REPORT

Discussion ensued regarding damage to street lighting in the District and Mr. Engert said he would discuss the police report with the Villages of Cypress Lakes Homeowner's Association Board for any necessary follow up.

There being no additional business for consideration, the meeting was adjourned.



Secretary, Board of Directors



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