

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 391

August 12, 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 12th day of August, 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 except Director Sachs, 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 Arrellano of Bob Leared Interests; Teri Laguarta of Inframark Water & Infrastructure Services ("Inframark"); Emily Luong of KGA DeForest/Design, LLC ("KGA"); Tom Engert, District resident; Andrew Rue of Woodmere Development Company, Ltd.; Greg Lentz of Masterson Advisors, LLC; Shannon Waugh of Off Cinco; Andrew Rue of Woodmere Development Company, Ltd.; and Greer Pagan and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

There was no public comment.

MINUTES

The Board considered approving the minutes of the July 8, 2019, regular meeting. After review and discussion, Director Giannelli moved to approve the minutes. Director Shook seconded the motion, which passed by unanimous vote.

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

ARBITRAGE REBATE REPORT FOR SERIES 2014 BONDS

Mr. Pagan presented Omnicap, LLC's arbitrage rebate and yield restriction calculation for the District's Series 2014 Bonds and said the report concludes that no rebate is due the United States Treasury.

TAX ASSESSMENT AND COLLECTIONS MATTERS AND COLLECTION OF DELINQUENT TAXES

The Board next received the tax assessor/collector's written report for July, 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 accept the tax assessor/collector's report and pay the bills described therein. Director McShane seconded the motion, which was approved by unanimous vote.

2019 TAX RATE

Mr. Lentz discussed the status of the Harris County Appraisal District's certification of property tax values for 2019. Following discussion, the Board concurred to table further discussion until the September, 2019 Board meeting.

ENGINEERING MATTERS

Mr. Wagner generally reported on engineering projects within the District.

Mr. Wagner stated that bids were received for construction of water, sewer and drainage to serve Villages of Cypress Lakes, Section 18. Mr. Wagner recommended that the Board award the contract to Kenneth Lamb Construction Co., Ltd. ("Kenneth Lamb") in the amount of \$484,000. The Board concurred that, in its judgment, Kenneth Lamb was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Following review and discussion, Director Shook moved to award the contract for construction of construction of water, sewer and drainage to serve Villages of Cypress Lakes, Section 18

to Kenneth Lamb in the amount of \$484,000, based upon the District engineer's recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor. Director Giannelli seconded the motion, which passed by unanimous vote.

Mr. Wagner next discussed the status of construction for water, sewer and drainage facilities to serve Villages of Cypress Lakes, Section 35 and recommended that the Board approve Pay Estimate No. 1 in the amount of \$353,949.57, payable to Fellers & Clark, LP.

Discussion ensued regarding issues with access to a District easement for service extension to an adjacent commercial development.

Following review and discussion, Director Shook moved to (1) approve the engineering report; and (2) approve Pay Estimate No. 1 in the amount of \$353,949.57, payable to Fellers & Clark, LP, for construction for water, sewer and drainage facilities to serve Villages of Cypress Lakes, Section 35. Director Giannelli seconded the motion, which passed unanimously.

LAKE AND TURF MANAGEMENT REPORT

Director Shook updated the Board regarding lake and fountain maintenance by LakePro, Inc. and presented a proposal from LakePro, Inc. in the amount of \$7,900 to stock District ponds. Following review and discussion, Director Shook moved to approve the proposal. Director McShane seconded the motion, which passed unanimously.

MASTER PARKS AND FUTURE PARK DEVELOPMENT

Ms. Luong reviewed a report from KGA and updated the Board regarding of construction of Lake 1 and Lake 2 Walk Connection Landscape Improvements. Following discussion and review, Director McShane moved to approve KGA's report. Director Shook seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Ms. Laguarda presented the operator's report for June, 2019, a copy of which is attached, and discussed significant repairs completed during the month.

Upon a motion made by Director McShane and seconded by Director Shook, the Board voted unanimously to (1) approve the operator's report; (2) authorize the District operator to refer 2 delinquent accounts to collection; and (3) authorize the District operator to write off one delinquent account as uncollectable.

TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

The Board next considered termination of utility service to delinquent accounts. Ms. Laguarta 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 McShane 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 update from the developer regarding development in the District.

SECURITY REPORT

There was no additional discussion for this agenda item.

GARBAGE COLLECTION

There was no additional discussion for this agenda item.

WEBSITE DEVELOPMENT

Ms. Waugh reviewed a proposal for website development and administration. Following discussion, Director Shook moved to approve contract option 3. The motion was seconded by Director Giannelli and passed unanimously.

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



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

bookkeeper's report.....	1
tax assessor/collector's report.....	2
engineering report	3
report from KGA DeForest Design, LLC.....	3
operator's report.....	3