

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 391

October 14, 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 14th day of October, 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 Giannelli, 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 and Juan Mendoza, District residents; Andrew Rue of Woodmere Development Company, Ltd.; Greg Lentz of Masterson Advisors, LLC; Andrew Rue of Woodmere Development Company, Ltd.; and Greer Pagan and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

Mr. Mendoza commented regarding the application of rye grass and associated mowing during the months of October and November on the banks of the ponds in the Villages of Cypress Lakes.

Mr. Engert requesting clarification for the process to comment on the public hearing process for the adoption of the proposed tax rate.

MINUTES

The Board considered approving the minutes of the September 9, 2019, regular meeting. After review and discussion, Director McShane moved to approve the minutes. Director Shook seconded the motion, which passed by unanimous vote.

WEBSITE DEVELOPMENT

There was no additional discussion for this agenda item.

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 Shook moved to approve the bookkeeper's report and payment of the bills, including additional handwritten check no. 6430 in the amount of \$81.99, payable to Cy-Fair Independent School District. Director McShane seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

The Board next received the tax assessor/collector's written report for September, 2019, including updated certified values for 2019 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.

PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ORDER LEVYING TAXES, AND AMENDMENT TO INFORMATION FORM

The Board opened the public hearing on the District's proposed tax levy. Ms. Arellano confirmed that notice of the proposed levy had been published.

Mr. Engert requested that the Board consider adopting a tax rate that is lower than the amount published.

Upon receipt of no additional comments from the public, the Board closed the public hearing.

Mr. Lentz reviewed a cash flow analysis and tax rate recommendation. The Board then considered an Order Levying Taxes, reflecting a tax rate of \$1.02 per \$100 valuation consisting of \$0.62 for debt service and \$0.40 for operations and maintenance.

The Board confirmed its intention that the 2019 tax levy includes a maintenance tax for the fiscal year ending May 31, 2020. Upon a motion made by Director McShane and seconded by Director Shook, the Board unanimously adopted the Order Levying Taxes, authorized the execution of Amendment to the District's Information Form to reflect the tax rate for 2019.

ENGINEERING MATTERS

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

Mr. Wagner first discussed a request from Cy-Hill Municipal Utility District No. 1 requesting authorization to repair an outfall channel apron that ties into Lake No. 4. Following review and discussion, the Board concurred to give authorization to Cy-Hill MUD 1 to make the repair requested.

Mr. Wagner discussed the status of construction of water, sewer and drainage to serve Villages of Cypress Lakes, Section 35 and recommended that the Board approve Pay Estimate No. 2 in the amount of \$18,159.86, payable to Fellers & Clark, LP.

The Board next discussed a request from the Villages of Cypress Lake Community Association (the "HOA") to accept conveyance of Reserve A, Block 1 of Villages of Cypress Lakes, Section 22 for maintenance. The Board requested that Mr. Wagner bring estimated maintenance costs to the November, 2019 Board meeting.

Following review and discussion, Director McShane moved to (1) approve the engineering report; and (2) approve Pay Estimate No. 2 in the amount of \$18,159.86, payable to Fellers & Clark, LP. for water, sewer and drainage to serve Villages of Cypress Lakes, Section 35. Director Shook seconded the motion, which passed unanimously.

RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECT AND BONDS

The Board took no action on this agenda item.

LAKE AND TURF MANAGEMENT REPORT

Director Shook updated the Board regarding lake and fountain maintenance by LakePro, Inc.

MASTER PARKS AND FUTURE PARK DEVELOPMENT

Ms. Luong reviewed a report from KGA, updated the Board regarding of construction of Lake 1 and Lake 2 Walk Connection Landscape Improvements and recommended that the Board approve (1) Pay Application No. 7 in the amount of \$19,079.55 and Pay Application No. 8 in the amount of \$22,447.36, both payable to Stone Castle; and (2) Change Order No. 2 increasing the contract amount by \$18,072. The Board determined that Change Order No. 2 is beneficial to the District. After review and discussion, Director McShane moved to (1) approve KGA's report; (2) upon the recommendation of KGA, approve Pay Application No. 7 in the amount of \$19,079.55 and Pay Application No. 8 in the amount of \$22,447.36, both payable to Stone Castle; and (3) approve Change Order No. 2 in the amount of \$18,072, as an increase to the contract with Stone Castle, based upon the Board's finding that the Change Order is beneficial to the District and KGA's recommendation. Director Shook seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES

Ms. Laguarda presented the operator's report for August, 2019, a copy of which is attached, 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; and (2) authorize the District operator to refer 3 delinquent accounts to collection.

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 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.

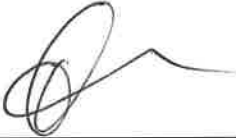
SECURITY REPORT

The Board confirmed patrol staffing totals for District patrol contract beginning March 1, 2020.

GARBAGE COLLECTION

There was no additional discussion for this agenda item.

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



Secretary, Board of Directors



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