

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 391

September 12, 2022

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 September, 2022 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:

George Porter	President
John Sachs	Vice President
Catherine Shook	Secretary
Kevin Force	Assistant Vice President
William "Gabe" Blackwell	Assistant Secretary

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

Also present at the meeting were Greg Little, a resident of the District; Erik Scott and Kim Cosco of Champions Hydro-Lawn, Inc. ("Champions"); Sherri Greenwood of Forvis, LLP; Greg Lentz of Masterson Advisors, LLC; Justin Wagner and Brian Rabenaldt of R.G. Miller Engineers, Inc. ("RG Miller"); Demitra Berry of McLennan & Associates, LP ("McLennan"); Debbie Arellano of Bob Leared Interests ("BLI"); Teri Laguarda of Inframark Water & Infrastructure Services ("Inframark"); and Greer Pagan, Duggan Baker, and Kerri Houck of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENT

The Board opened the meeting for public comments. There being no members of the public requesting to make public comment, the Board moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the August 8, 2022, regular meeting. After review and discussion, Director Porter moved to approve the minutes of the August 8, 2022, regular meeting, as submitted. Director Force seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MAY 31, 2022

Ms. Greenwood reviewed the District's draft audit for the fiscal year end May 31, 2022, and the associated management representation letter. Following review and

discussion, Director Shook moved to (1) approve the audit, subject to final director and consultant review; (2) authorize execution of the management representation letter; (3) authorize filing of the audit with all appropriate parties; and (4) direct that the audit and letter be filed appropriately and retained in the District's official records. Director Blackwell seconded the motion, which passed unanimously.

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 Blackwell 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

Ms. Arellano reviewed the tax assessor/collector's written report for August 2022, and the checks presented for payment from the tax account. Copies of the tax assessor/collector's report and list of checks presented for approval are attached. Following review and discussion, Director Porter moved to accept the tax assessor/collector's report and pay the bills described therein. Director Force seconded the motion, which passed unanimously.

NEW DEVELOPMENT ADJACENT TO THE DISTRICT

There was no discussion on this item.

ENGINEERING MATTERS

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

Mr. Wagner reviewed and recommended approval of Change Order No. 3 to the contract with C4 Partners, LLC ("C4 Partners") for construction of the permanent wastewater treatment plant expansion to increase the contract in the amount of \$47,270.00. The Board determined that Change Order No. 3 is beneficial to the District.

Mr. Wagner updated the Board on future capital improvement projects and stated that RG Miller is coordinating a list of projects for Board consideration at a future meeting.

Following review and discussion, Director Porter moved to (1) approve the engineering report; and (2) approve Change Order No. 3 in the amount of \$47,270.00 as an increase to the contract with C4 Partners, based upon the Board's finding that the Change Order is beneficial to the District and the engineer's recommendation. Director Blackwell seconded the motion, which passed unanimously.

LAKE AND TURF MANAGEMENT REPORT, INCLUDING APPROVAL OF PROPOSALS FOR NECESSARY REPAIRS OR REPLACEMENTS, IMPROVEMENTS, RENEWAL OF PERMITS, OR LANDSCAPING AGREEMENTS

Mr. Cosco introduced himself and discussed the services that Champions' would provide for landscaping in the District. Discussion ensued.

The Board discussed landscaping maintenance in the District and reviewed proposals from multiple landscape consultants. Following review and discussion, the Board concurred to discuss this further later in the meeting.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2022 tax rate. Mr. Lentz distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2022 water, sewer, and drainage debt service tax rate of \$0.56 per \$100 of assessed valuation, based on the District's initial 2022 certified value of \$765,671,130.00, plus \$54,600,541.00 representing 80% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Pagan discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Porter moved to: (1) set the public hearing date for October 10, 2022; and (2) authorize the tax assessor/collector to publish notice in the Houston Chronicle of the District's meeting on October 10, 2022, to set the proposed 2022 total tax rate of \$0.91 per \$100 of assessed valuation, with \$0.56 allocated for debt service on water, sewer, and drainage bonds and \$0.35 allocated for operations and maintenance. Director Force seconded the motion, which passed unanimously.

MASTER PARKS AND FUTURE PARK DEVELOPMENT

The Board discussed lake maintenance throughout the District.

OPERATION OF DISTRICT FACILITIES AND TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS

Ms. Laguarda reviewed the operator's report for July 2022, a copy of which is attached and requested authorization to refer one delinquent account to collections.

Ms. Laguarda presented and reviewed proposals for cleaning and painting of the fire hydrants throughout the District, copies of which are attached to the operator's report. Following review and discussion, Director Porter moved to approve the proposal for cleaning and painting the fire hydrants from Ski-bo's Pressure Washing for a cost of \$6,251.00. Director Force seconded the motion, which passed unanimously.

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.

Following review and discussion, Director Shook moved (1) to approve the operator's report; and (2) that since the customers on the list were neither present at the meeting nor had presented any statement on the matter, to terminate utility service in accordance with procedures set forth in the Rate Order. Director Blackwell seconded the motion, which passed unanimously.

REVIEW DROUGHT CONTINGENCY PLAN

The Board discussed the Drought Contingency Plan.

GARBAGE COLLECTION MATTERS

The Board discussed garbage collection matters in the District.

DEVELOPMENT IN THE DISTRICT

There was no discussion on this item.

SECURITY REPORT

The Board discussed security matters in the District.

RENEWAL OF INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT SERVICES WITH HARRIS COUNTY AND AUTHORIZE APPROPRIATE ACTION

The Board reviewed an Interlocal Agreement for Law Enforcement Services from Harris County. After review and discussion, Director Shook moved to authorize execution of the Interlocal Agreement for Law Enforcement Services between the District and Harris County, and direct that it be filed appropriately and retained in the District's official records. Director Porter seconded the motion, which passed unanimously.

WEBSITE MATTERS

There was no discussion on this item.

LAKE AND TURF MANAGEMENT REPORT, INCLUDING APPROVAL OF PROPOSALS FOR NECESSARY REPAIRS OR REPLACEMENTS, IMPROVEMENTS, RENEWAL OF PERMITS, OR LANDSCAPING AGREEMENTS (CONT'D)

The Board continued discussing for landscaping maintenance in the District and reviewed proposals from multiple landscaping consultants. Discussion ensued regarding providing notice to Bluegrass Maintenance, Inc.

Following review and discussion, Director Porter moved to (1) approve the contract with Earthcare Management for landscaping maintenance in the District, subject to final review; and (2) authorize ABHR to provide notice to Bluegrass Maintenance, Inc. Director Force seconded the motion, which passed unanimously.

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





Secretary, Board of Directors

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