

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 391

January 9, 2023

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 9th day January, 2023 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 Simon Van Dyk of Touchstone District Services ("Touchstone"); Stephanie Lee of KGA/DeForest Design, LLC ("KGA"); Justin Wagner of R.G. Miller Engineers, Inc. ("RG Miller"); Demitra Berry of McLennan & Associates, LP ("McLennan"); Debbie Arellano of Bob Leared Interests ("BLI"); Teri Laguarta of Inframark Water & Infrastructure Services ("Inframark"); and Greer Pagan 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 December 12, 2022, regular meeting. After review and discussion, Director Shook moved to approve the minutes of the December 12, 2022, regular meeting, as submitted. 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.

Ms. Berry reviewed the District's investments and discussed diversifying the District's funds. She recommended moving fifty percent of funds to Texas Class.

After review and discussion, Director Blackwell moved to (1) approve the bookkeeper's report and payment of the bills; and (2) to transfer the District's funds to Texas Class, as discussed. Director Shook seconded the motion, which passed unanimously.

ANNUAL DISCLOSURE STATEMENTS FOR INVESTMENT OFFICER AND BOOKKEEPER

Mr. Pagan stated that, in accordance with the District's Investment Policy, Ms. Berry, as the bookkeeper, and Mr. Diaz, as the Investment Officer, are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. He added that the disclosure statement will be filed with the Texas Ethics Commission and the District Records and updated whenever necessary. After review and discussion, Director Shook moved that the Board accept the disclosure statements pursuant to the District's Investment Policy and the Public Funds Investment Act. Director Force seconded the motion, which passed unanimously.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Pagan reported on the District's compliance activities during the prior calendar year related to bond financings. Mr. Pagan stated that no action is required at this time.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Arellano reviewed the tax assessor/collector's written report for December 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 Blackwell seconded the motion, which passed unanimously.

STREET LIGHT PROPOSAL

The Board reviewed correspondence from Cypress Hill Municipal Utility District No. 1 regarding installing streetlights along Cypress Rosehill. Discussion ensued. Following review and discussion, the Board concurred to table this matter until a future meeting to gather more information.

NEW DEVELOPMENT ADJACENT TO THE DISTRICT

Mr. Wagner updated the Board regarding potential new development on a tract adjacent to the District.

ENGINEERING MATTERS

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

Mr. Wagner updated the Board on the construction of the permanent wastewater treatment plant expansion.

Mr. Wagner stated that Centerpoint is requesting an ariel easement in 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 Shook moved to (1) approve the engineering report; and (2) approve the aerial easement with Centerpoint, as discussed. Director Force 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

The Board discussed lake and turf matters in the District.

The Board reviewed correspondence from Earthcare Management, a copy of which is attached.

The Board reviewed proposals to remove nutria from the lakes in the District. Following review and discussion, Director Porter moved to approve the proposal from Cypress Creek Pest Control for a cost of \$5,351.42. Director Force seconded the motion, which passed unanimously.

The Board then reviewed a proposal from Lake Pro Inc. ("Lake Pro") to replace fountain number one on lake five for a cost of \$15,780.50, a copy of which is attached. Following review and discussion, Director Shook moved to authorize Lake Pro to replace fountain number one on lake five for a cost of \$15,780.50. Director Blackwell seconded the motion, which passed unanimously.

MASTER PARKS AND FUTURE PARK DEVELOPMENT

Ms. Lee reviewed a KGA report with the Board, a copy of which is attached, and discussed adding lighting around the lake.

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

Ms. Laguarta reviewed the operator's report for November 2022, a copy of which is attached.

Mr. Pagan discussed rules adopted by the Public Utility Commission of Texas ("PUC") to implement legislation prohibiting certain retail water or sewer providers from imposing late fees or terminating service for nonpayment of water bills that are due during a period when the previous day's highest temperature and the predicted temperature for the next 24 hours is not higher than 28 degrees Fahrenheit. Ms. Laguarta reviewed and discussed the one-time notice of the requirements that must be sent to utility customers by January 31, 2023. Mr. Pagan then presented a proposed Amended Rate Order incorporating the provisions of the PUC rules, including terms for customers to request and receive a payment schedule for payment of bills due during such an extreme weather emergency.

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.

Following review and discussion, Director Shook moved (1) to approve the operator's report; (2) to authorize the operator to send the one-time notice to District customers and to adopt the Amended Rate Order and direct that it be filed appropriately and retained in the District's official records; and (3) 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 Force seconded the motion, which passed unanimously.

GARBAGE COLLECTION MATTERS

The Board discussed garbage collection matters in the District.

DEVELOPMENT IN THE DISTRICT

There was no discussion on this item.

WEBSITE MATTERS

The Board discussed website matters.

Mr. Van Dyk introduced himself to the Board and discussed what Touchstone can do for the District’s website presence and community outreach. He reviewed a proposal with the Board regarding the District’s website and potential community outreach over multiple social media platforms, a copy of which is attached. Discussion ensued regarding creating a website committee consisting of two Directors. Following review and discussion, Director Porter moved to (1) approve the proposal from Touchstone for a new website, strategic community outreach, and emergency messaging; (2) authorize ABHR to provide notice to the District’s current website provider; and (3) authorize Directors Porter and Shook to be on the website committee with Director Blackwell as an alternate. Director Shook 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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