

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 391

September 11, 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 11th day of September, 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	Asst. Vice President
William "Gabe" Blackwell	Assistant Secretary

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

Also present at the meeting were Sergeant Setterbo of Harris County Sheriff's Office; Diana Gee, a member of the public; Jonathan Cowan of Harris Central Appraisal District ("HCAD"); Avni Patel of Forvis, LLC; Greg Lentz of Masterson Advisors; Simon Van Dyk of Touchstone District Services ("Touchstone"); Justin Wagner of R.G. Miller Engineers, Inc. ("RG Miller"); Stephanie Lee of KGA/DeForest Design, LLC ("KGA"); Demitra Berry of McLennan & Associates, LP ("McLennan"); Debbie Arellano of Bob Leared Interests ("BLI"); Randy Davila and Missy Steadman of Inframark Water & Infrastructure Services ("Inframark"); and Greer Pagan and Kerri Houck of Allen Boone Humphries Robinson LLP ("ABHR").

The District established a teleconference line for members of the public to listen to the meeting and address the Board. Attending the meeting by teleconference were Cory Johnson, Jay Stucky, and Timothy Thibodeaux, residents of the District.

PUBLIC COMMENTS

The Board opened the meeting for public comments.

Mr. Cowan introduced himself and discussed HCAD matters and the upcoming HCAD election.

Mr. Stucky inquired regarding District meeting locations and times.

There being no further 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 14, 2023, regular meeting. After review and discussion, Director Blackwell moved to approve the minutes of the August 14, 2023, regular meeting, as submitted. Director Shook seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END MAY 31, 2023

Ms. Patel reviewed the District's draft audit for the fiscal year end May 31, 2023, and the associated management representation letter. Following review and discussion, Director Blackwell 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 Shook seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Berry reviewed the bookkeeper's report, a copy of which is attached, and presented the District's bills for payment.

Ms. Berry noted additional check no. 1048 in the amount of \$361,192.40 payable to C4 Partners, LLC ("C4 Partners").

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

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Arellano reviewed the tax assessor/collector's report, delinquent tax report, and checks presented for payment from the tax account. A copy of the tax assessor/collector's report is attached. Following review and discussion, Director Shook moved to approve the tax assessor/collector's report and payment of the bills from the tax account. Director Blackwell seconded the motion, which passed unanimously.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District's 2023 tax rate. Mr. Lentz distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District

to levy a 2023 water, sewer, and drainage debt service tax rate of \$0.50 per \$100 of assessed valuation, based on the District's initial 2023 certified value of \$848,397,780.00, plus \$61,738,683.00 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. Lentz 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 9, 2023; and (2) authorize the tax assessor/collector to publish notice in the Houston Chronicle of the District's meeting on October 9, 2023, to set the proposed 2023 total tax rate of \$0.82 per \$100 of assessed valuation, with \$0.50 allocated for debt service on water, sewer, and drainage bonds and \$0.32 allocated for operations and maintenance. Director Force seconded the motion, which passed unanimously.

NEW DEVELOPMENT ADJACENT TO DISTRICT

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

ENGINEERING MATTERS

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

Mr. Wagner updated the Board regarding construction of the permanent wastewater treatment plant expansion and reviewed and recommended approval of Pay Estimate No. 17 and Final in the amount of \$361,192.40 payable to C4 Partners, LLC. Mr. Wagner also presented a Certificate of Completion and Acceptance and recommended the Board accept the facility.

Mr. Wagner updated the Board regarding the repairs to Well No. 1 at Water Plant No. 1 and reviewed and recommended approval of Pay Estimate No. 1 in the amount of \$412,716.00 payable to Weisinger Inc. Mr. Wagner also presented a Certificate of Completion and Acceptance and recommended the Board accept the project.

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 (1) to approve the engineering report; (2) based on the engineer's recommendation, to approve Pay Estimate No. 17 and Final in the amount of \$361,192.40 for the construction of the permanent wastewater treatment plant expansion and to accept the facility; and (3) based on the engineer's recommendation, to approve Pay Estimate No. 1 and Final in the amount of

\$412,716.00 for the repairs to Well No. 1 at Water Plant No. 1, and to accept the project. 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

The Board discussed lake and turf matters in the District.

MASTER PARK PLAN AND FUTURE PARK DEVELOPMENT

The Board reviewed a KGA report, a copy of which is attached. Ms. Lee updated the Board regarding sidewalks in the District and any potential partnerships for installation with Harris County Precinct No. 3 and discussion ensued.

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

Mr. Davila reviewed the operator's report for August 2023, a copy of which is attached and requested authorization to refer two delinquent accounts to collections.

The Board next considered termination of utility service to delinquent accounts. Mr. Davila 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.

The Board reviewed the District's Drought Contingency Plan. Ms. Steadman recommended certain changes to the Drought Contingency Plan in response to the current drought conditions. Discussion ensued and the Board concurred to discuss this further at the next meeting.

Following review and discussion, Director Blackwell 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 Shook seconded the motion, which passed unanimously.

GARBAGE COLLECTION MATTERS

There was no discussion on this item.

DEVELOPMENT IN THE DISTRICT

There was no discussion on this item.

SECURITY MATTERS

Sergeant Setterbo discussed security matters in the District.

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 AND COMMUNITY OUTREACH

Mr. Van Dyk updated the Board on website matters.

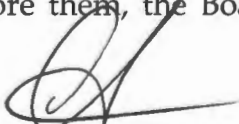
MEETING DATES

Mr. Thibodeaux expressed concerns regarding potential new development adjacent to the District.

The Board concurred to hold the next regular meeting on October 9, 2023, at ABHR and to include a call-in number on the agenda.

There being no further business to come before them, the Board concurred to adjourn the meeting.




Secretary, Board of Directors

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