

MINUTES
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 391

May 13, 2024

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 391 (the "District") met in regular session in person and by teleconference, open to the public and with access by video available to the public, on the 13th day of May, 2024, 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
Rachel Broom	Vice President
Catherine Shook	Secretary
Kevin Force	Asst. Vice President
William "Gabe" Blackwell	Assistant Secretary

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

Also present at the meeting in person or by teleconference were Debra Edwards, a member of the public; Sergeant Setterbo of Harris County Sheriff's Office; Michael Kim of MAK Development Group ("MAK"); Avni Patel of Forvis, LLP ("Forvis"); Stephanie Lee of KGA/DeForest Design, LLC ("KGA"); Danae Dehoyos of Touchstone District Services ("Touchstone"); Shawn Pachlhofer of R.G. Miller Engineers, Inc. ("RG Miller"); Demitra Berry of McLennan & Associates, LP ("McLennan"); Debbie Arellano of Bob Leared Interests ("BLI"); Randy Davila of Inframark Water & Infrastructure Services ("Inframark"); and Greer Pagan, Andrew Vaughan (representing MAK), and Kerri Houck of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

The Board opened the meeting for public comments.

Ms. Edwards introduced herself and stated that she is a Director of Harris County Municipal Utility District No. 501. She reported that she is running for the Association of Water Board Director's Board of Trustees and would like to have the Board's support for their vote at the upcoming summer conference.

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 April 8, 2024, regular meeting and the minutes of the April 1, 2024 and April 22, 2024, special meetings. After review and discussion, Director Shook moved to approve the minutes, as submitted. Director Blackwell seconded the motion, which passed unanimously.

AUDIT FOR FISCAL YEAR END MAY 31, 2024

The Board discussed engagement of Forvis for fiscal year ending May 31, 2024. Ms. Patel requested approval of the engagement letter with an estimated fee of \$22,500 plus expenses to complete audit of the District's financial records for the fiscal year ending May 31, 2024. Following review and discussion, Director Blackwell moved to approve the fiscal year end audit proposal from Forvis. 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. 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.

BUDGET FOR FISCAL YEAR END MAY 31, 2025

Ms. Berry next reviewed a draft budget for the fiscal year end May 31, 2025, a copy of which is attached to the bookkeeper's report. Following review and discussion, Director Force moved to adopt the proposed budget for the fiscal year ending May 31, 2025. Director Shook seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board discussed the upcoming AWBD summer conference.

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 Blackwell moved to approve the tax assessor/collector's report and payment of the bills from the tax account. Director Porter seconded the motion, which passed unanimously.

NEW DEVELOPMENT ADJACENT TO DISTRICT

Mr. Pagan updated the Board regarding the potential new development on a tract adjacent to the District. Mr. Kim discussed purchasing the land adjacent to the District and noted that it will be Harris County Municipal Utility District No. 592 ("HC592"), once it is confirmed. He reported that MAK has reviewed several options for HC592 to receive water and wastewater capacity and stated that it would be in HC592's best interest to contract and receive water and wastewater capacity from the District. Mr. Pagan then reviewed a draft Utility Agreement between HC592 and the District. Discussion ensued regarding the Board's concerns and requests to be included in the agreement. Mr. Kim stated that he will review all requests from the Board for the draft agreement.

ENGINEERING MATTERS

Mr. Pachlhofer reported on engineering projects within the District. A copy of the engineering report is attached. He 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 approve the engineering report. Director Blackwell seconded the motion, which passed unanimously.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY MATTERS

Mr. Pachlhofer reviewed correspondence from the North Harris County Regional Water Authority ("NHCRWA") regarding a proposed acquisition of a 0.2285-acre water line easement. Discussion ensued.

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 management 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 on the sidewalk enhancement project that is partnered up with Harris County Precinct No. 3 (the "County"). She reviewed questions from the County and stated she will circulate a draft agreement for review.

The Board next considered approval of Pay Estimate No. 7 in the amount of \$131,155.11 payable to Landecor for the trail lighting project, as recommended by the landscape architect.

Following review and discussion, Director Blackwell moved to (1) approve the KGA report; and (2) approve Pay Estimate No. 7 in the amount of \$131,155.11 for the trail lighting project. Director Shook seconded the motion, which passed unanimously.

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

Mr. Davila reviewed the operator's report for April 2024, a copy of which is attached and requested authorization to refer five delinquent accounts to collections and one account for write off.

Mr. Davila stated that Lift Pump No. 1 at Lift Station No. 5 requires repair or replacement. He stated that the approximate cost to repair the lift pump is \$24,321.00 and the approximate cost to replace the lift pump is \$25,074.00.

Mr. Davila stated that Booster Pump No. 4 at Water Plant No. 1 requires repair or replacement. He stated that the approximate cost to repair the pump is \$25,656.00 and the approximate cost to replace the pump is \$29,182.00.

Mr. Davila stated that electrical lines need to be installed at the gate of the wastewater treatment plant for the installation of the new security cameras and stated that the cost of installation is approximately 12,075.00. The Board concurred to defer approval of this until a future meeting.

Mr. Davila recommended installing UV resistant two-ply Ethylene Propylene Diene Monomer mats along the influent channels at the wastewater treatment plant for an approximate cost of \$10,005.00. The Board concurred to defer approval of this until a future meeting.

Mr. Davila reviewed a proposal to remove and replace the existing fence at Lift Station No. 4 with cedar wood for an approximate cost of \$10,810.00. The Board concurred to defer approval of this until a future meeting.

Mr. Davila reviewed repairs from the fire hydrant survey and stated that the approximate cost for the repairs is \$11,350.00. The Board concurred to defer approval of this until a future meeting.

Mr. Davila reviewed the Consumer Confidence Report ("CCR"), a copy of which is attached, regarding the quality of the District's water and stated that it will be filed with the Texas Commission on Environmental Quality ("TCEQ") and distributed to District residents by July 1, 2024.

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.

Following review and discussion, Director Porter moved (1) to approve the operator's report; (2) to replace Lift Pump No. 1 at Lift Station No. 5 for an approximate cost of \$25,074.00; (3) to replace Booster Pump No. 4 at Water Plant No. 1 for an approximate cost of \$29,182.00; (4) to approve the Consumer Confidence Report, authorize the operator to mail the Consumer Confidence Report to District customers, and to file the Consumer Confidence Report with the TCEQ; and (5) 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.

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 updated the Board on security matters in the District.

WEBSITE MATTERS AND COMMUNITY OUTREACH

Ms. Dehoyos updated the Board on website matters.

2024 DIRECTORS ELECTION

ORDER CANVASSING THE RETURNS AND DECLARING RESULTS OF DIRECTOR ELECTION

The Board reviewed the certified returns from Election Officials for the District's May 4, 2024, Directors Election. Mr. Pagan presented an Order Canvassing the Returns and Declaring Results of Director Election, reflecting that the election resulted favorably for the following, as indicated in the certified returns:

<u>CANDIDATE NAME</u>	<u>VOTES</u>
George W. Porter	56
Tory Johnson	28
William G. Blackwell	49

Director Porter, President of the Board, noted the completion of the canvass of the returns of the election pursuant to Section 67.004(g), Texas Election Code. After review and discussion, Director Blackwell moved to adopt the Order Canvassing the Returns and Declaring Results of Director Election and direct that the Order be filed appropriately and retained in the District’s official records. Director Shook seconded the motion, which passed unanimously.

CERTIFICATE OF ELECTION

The Board considered approving a Certificate of Election, reflecting the election of George Porter and Gabe Blackwell to the Board of Directors of the District each for a four-year term. Following review and discussion, Director Blackwell moved to (1) approve the Certificate of Election; and (2) direct that all of the documents be filed appropriately and retained in the District’s official records. Director Shook seconded the motion, which passed unanimously.

DIRECTORS’ SWORN STATEMENTS, BONDS, AND OATHS OF OFFICE

Mr. Pagan reviewed the Sworn Statements and Oaths of Office for Directors Porter and Blackwell. Following review and discussion, Director Blackwell moved to (1) approve the Sworn Statements, Official Bond, and Oaths of Office; and (2) direct that all of the documents be filed appropriately and retained in the District’s official records. Director Shook seconded the motion, which passed unanimously.

AUTHORIZE PAYMENT TO ELECTION OFFICIALS

The Board considered authorizing payment to election officials for the 2024 Directors Election. Following discussion, Director Blackwell made a motion to authorize payment to election officials. Director Shook seconded the motion, which passed unanimously.

DISTRICT REGISTRATION FORM

Mr. Pagan stated that an updated District Registration Form is required to be filed with the TCEQ, reflecting the terms of the newly elected directors.

Following review and discussion, Director Blackwell moved to authorize filing of an updated District Registration Form with the TCEQ, reflecting the terms of the newly elected directors. Director Shook seconded the motion, which passed unanimously.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY

At 12:59 p.m., Mr. Pagan announced that the Board would meet in executive session pursuant to Section 551.071, Texas Government Code, to conduct a private consultation with the Attorney to seek legal advice.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION

The Board reconvened in open session at 1:11 p.m. The Board did not take any action. Mr. Pagan discussed a timeline of approving the draft Utility Agreement for the potential new development adjacent to the District.

MEETING DATES

The Board concurred to hold the next regular meeting on June 10, 2024, 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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