

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
JANUARY 23, 2008**

**STATE OF TEXAS §
 §
COUNTY OF HARRIS §**

The Board of Directors of Harris County Municipal Utility District No. 191 of Harris County, Texas, met in regular session, open to the public, beginning at 7:00 P.M., at The County Line Restaurant, 13850 Cutten Road, Houston, Texas 77069, on the 23rd day of January, 2008, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Edward A. Monto	President
Robert Price	Vice President
Errol Wirasinghe	Secretary
Vaughan G. Miller	Treasurer
Ernest F. Gigliotti	Assistant Secretary

and all of said directors were present, thus constituting a quorum.

Persons also present included Mark Eyring of Mark Roth's office; Lehnda Buisson, a resident of the District and board member of Champions MPC Homeowners Association; Daniel Anders, a resident of the District; Brady Wilkins, of WCP Cutten Road; Vincent Spencer; Gus Gustafson of SWWC; Rusty Leared of Bob Leared Interests; Cindy Nichols of Michael A. Cole, P.C.; and James L. Dougherty, Jr. Arriving after the start of the meeting was Claudia Redden of Claudia Redden & Associates, LLC.

MINUTES

Director Price moved that the minutes of the Board's November 28, 2007 and January 7, 2008 meetings be approved, which motion was seconded by Director Wirasinghe and carried by unanimous vote.

WATER AND SEWER SERVICE INQUIRY

Mr. Spencer introduced himself to the Board and stated that he is interested in purchasing from Mr. Brady Wilkins a 4.539 acre tract of land within the District and a 7+ acre tract of land located outside of the District. He stated that the proposed development of the 11+ acres would be for approximately 350 apartment units requiring approximately 80,000 gallons of water per day. He requested the Board's consideration of annexation of the 7+ acre tract of land into the District and for provision of water and sanitary sewer services to the proposed development. After a brief discussion on the matter, Directors stated that as of today the District is not in a position to annex additional land into the District because of constraints on both wastewater and water limits, and that the Board had a special meeting on January 7, 2008 concerning this matter. Mr. Spencer thanked the Board for its consideration.

ACCOUNTING AND FINANCIAL REPORTING

A review and discussion was had concerning the audit representation letter provided by the District's auditor. Mr. Eyring that confirmed that the auditor's office has received all documents it has requested in connection with the preparation of the District's annual audit report for fiscal year ended September 30, 2007. Mr. Eyring stated that he received copies of the reimbursement agreements with various developer/landowners and has reviewed them. At the conclusion of discussion on the representation letter, Director Miller moved that the representation letter be approved and adopted and that President Monto be authorized to execute the letter on the Board's behalf. The motion was seconded by Director Gigliotti and carried by unanimous vote.

Mr. Eyring then reviewed with the Board the draft annual audit report for fiscal year ended September 30, 2007. A review and discussion was had. In response to a query of President Monto concerning Page 17, Mr. Dougherty stated that he would review the bond resolutions for the District's outstanding bond issues with regard to the levy of ad valorem taxes. It was noted that Mark Roth had represented that he would make a correction on Page 16 in the second paragraph regarding the amounts to be reimbursed, to which Mr. Eyring stated he would follow-up to be sure this is done. President Monto next raised a question concerning Capital Assets with regard to whether the detention ponds within the District should be included or not. Mr. Dougherty stated that he would look into this matter to see if the ponds were conveyed or transferred by easement, and if a correction is needed to be made he would contact the auditor. At the conclusion of the review and discussion of the draft audit report, Director Price moved that the report be authorized and approved subject to the amendments and corrections discussed, which motion was seconded by Director Wirasinghe and carried by unanimous vote.

REGULAR REPORTS AND CONSENT AGENDA

It was noted that the reports of the bookkeeper, investment officer, tax assessor/collector, utility operator and attorney had been provided to Board members prior to the meeting and that Board members have reviewed such reports.

The Board reviewed Pages 14 and 15 of the bookkeeper's report regarding tracking six reimbursement agreements. The Board determined to not sign the reimbursement checks as presented at tonight's meeting until receipt of the engineer's certification of the final costs of the wastewater treatment plant expansion phase II, and determination of whether there are any other fees or charges to be accounted for in this regard.

The Board commented on a job well done by Mr. Dougherty in following up on the accuracy of the District's sales tax report. Rusty Leared stated that he does not have a formal proposal for tonight's meeting for Bob Leared Interests to provide a service to audit the District's sales tax report, but stated this service would cost \$4,800 per year and that he would provide a formal proposal to the Board at its February meeting.

The Board then briefly reviewed the tax assessor/collector's report and attorney's report.

Mr. Gustafson presented the list of proposed service terminations, a copy of which is attached

to his report. President Monto opened a public hearing for any persons present to be heard to show cause why their water service should not be terminated for non-payment of their water bill. It was noted that no persons were present to be heard, and the public hearing was closed. Director Price then moved that: (i) the amount shown for each account on the list of service terminations is found to be correct, (ii) although notice of tonight's hearing was given to each person on the list, no one appeared, and (iii) water service is authorized be terminated to the accounts listed in accordance with the District's standard operating procedures; which motion was seconded by Director Gigliotti and carried by unanimous vote.

Mr. Gustafson reported that nothing further had been heard from Mr. Velez with regard to a dispute on his account, and that the operator had sent him a letter to invite him to attend tonight's meeting to address the Board. Mr. Gustafson next reviewed with the Board the December sewer surcharge for The County Line and noted that the TSS was 1160. Mr. Gustafson explained that recently The County Line changed from composite sampling to grab sampling. He stated that he spoke with a representative of The County Line and was told that there were plumbing repairs being done at the same time that the grab sample was taken and the representative provided Mr. Gustafson with plumber's invoices to verify this information. Mr. Gustafson said that the lab confirmed with him that having plumbing repairs at the same time the grab sample was taken could certainly skew the numbers. Mr. Gustafson suggested that the Board only charge The County Line \$300 for the December surcharge rather than the \$1,291.49, and that The County Line go back to composite sampling rather than grab sampling. The Board's unanimous consensus was, that based on The County Line having provided plumber's invoices to substantiate its claim and the lab having confirmed that this could definitely skew the numbers, to accept \$300 for the December surcharge and for The County Line to go back to composite sampling as recommended by the utility operator. Finally, Mr. Gustafson reported that there had been an ammonia excursion for the prior reporting period and he will look into the matter to find out what the problem was and how the matter was handled and will report back to Board at its February meeting.

President Monto then moved that the reports of the bookkeeper, investment officer, tax assessor/collector, utility operator and attorney be accepted. The motion was seconded by Director Wirasinghe and carried by unanimous vote. The attorney's report, utility operator's report, bookkeeper and tax bills, and investment officer's report as accepted are hereto attached.

President Monto requested that Mr. Gustafson look into the matter of the District having to have a chloramine disinfection system in place when it begins taking surface water from the Authority in 2010. Mr. Dougherty was requested to write a letter to the Authority regarding the District being mandated to begin taking surface water from the Authority in 2010 and the District's commitment to take reasonable and lawful measures to protect the District's water supply to its customers. The Board authorized Mr. Dougherty to work with Mr. Gustafson to find out what the Authority has or has not done and what is required of the District, and to contact Cy-Champ PUD and Prestonwood Forest UD regarding possibly coordinating efforts and timing of projects to comply with the requirements of the Authority.

DEVELOPER MATTERS

Lehnda Buisson informed the Board that Davis Development has begun construction and the Champions MPC homeowners association has in writing from the developer that the street (Champions Centre Drive and Paragon Court) will not be a thru street. Ms. Buisson also informed the Board that an approximate 4 acre tract of land at Cutten and Champions Centre Drive was purchased by Tom Fuller. In response to a query of Ms. Buisson, Board members requested that an item be placed on the next agenda concerning garbage collection services within the District.

ANNUAL REVIEW OF DISTRICT'S INVESTMENT POLICY

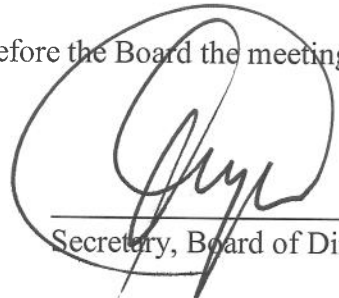
The Board determined to defer consideration of its annual review of its investment policy and requested Director Miller to review the policy and to have this item placed back on the Board's February meeting agenda.

MAY 10, 2008 OFFICER ELECTION

A brief discussion was had concerning the District's upcoming May 10, 2008 officer election. Director Wirasinghe moved that notice be given to Harris County of the District's intent to contract with it for use of election equipment in the May 10, 2008 election if the District is required to hold the election, and further that Ms. Nichols contact the management company to make reservation of the Champions MPC clubhouse for early voting and election day voting. The motion was seconded by Director Price and carried by unanimous vote. Board members requested Mr. Dougherty to prepare language for an insert to be included in customer water bills concerning the May 10, 2008 election.

There being no other business to come before the Board the meeting was adjourned.

(SEAL)



Secretary, Board of Directors

Attachments: Attorney's Report
General Fund Bills
Investment Officer's Report
Tax Bills
Utility Operator's Report

COMMITMENTS FOR ACTION
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
MEETING OF JANUARY 23, 2008

1. **ATTORNEY** to review the bond resolutions for the District's outstanding bond issues with regard to the levy of ad valorem taxes; look into matter of whether the detention ponds were conveyed or transferred by easement, and if a correction is needed to contact the auditor; work to determine whether any other fees or charges should be accounted for with regard to 6 reimbursement agreements; write a letter to the Authority regarding the District being mandated to begin taking surface water from the Authority in 2010 and the District's commitment to take reasonable and lawful measures to protect the District's water supply to its customers; work with Mr. Gustafson to find out what the Authority has or has not done and what is required of the District, and to contact Cy-Champ PUD and Prestonwood Forest UD regarding possibly coordinating efforts and timing of projects to comply with the requirements of the Authority; place item on Board's February meeting agenda concerning annual review of investment policy; and prepare language for an insert to be included in customer water bills concerning the May 10, 2008 election.
2. **AUDITOR** to make correction on Page 16 in the second paragraph of the annual audit report regarding the amounts to be reimbursed.
3. **DIRECTOR MILLER** to review District's investment policy for Board's February meeting.
4. **ENGINEER** to make certification of the final costs of the wastewater treatment plant expansion phase II.
5. **TAX ASSESSOR/COLLECTOR** to provide proposal for Bob Leared Interests to provide a service to audit the District's sales tax report.
6. **OPERATOR** to look into ammonia excursion during last reporting period to find out what the problem was and how the matter was handled and report back to the Board at the February meeting; look into the matter of the District having to have a chloramine disinfection system in place when it begins taking surface water from the Authority in 2010; and work with Mr. Dougherty to find out what the Authority has or has not done and what is required of the District, and to contact Cy-Champ PUD and Prestonwood Forest UD regarding possibly coordinating efforts and timing of projects to comply with the requirements of the Authority.
7. **CINDY NICHOLS** to contact the management company to make reservation of the Champions MPC clubhouse for early voting and election day voting for May 10, 2008 election.