

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
JULY 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 July, 2008, and the roll was called of the duly constituted officers and members of the Board, to-wit:

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| 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 excepting Director Miller, thus constituting a quorum.

Persons also present included Sgt. Keener of Harris County Precinct 4 Constables; Lehnda Buisson and Daniel Anders, residents of the District; Gus Gustafson and Scott Barr of SWWC; Patty Rodriguez of Bob Leared Interests; Tobin Synatsch, Bradley Jenkins and Jason Ozuna of Jones & Carter; Claudia Redden of Claudia Redden & Associates, LLC.; Cindy Nichols of Michael A. Cole, P.C.; and James L. Dougherty, Jr.

MINUTES

Director Gigliotti moved that the minutes of May 21, 2008 and June 26, 2008 meetings be approved, which motion was seconded by Director Price and carried by unanimous vote.

CONSTABLE MATTERS

Sergeant Keener reported that there had been a robbery at gun point at the apartments, and a couple of burglary of motor vehicles in Highland Timbers. Some discussion was had concerning the Constables coverage and patrolling of the District.

DELINQUENT TAX MATTERS

Board members reviewed a list of delinquent tax accounts for which Michael Cole's office is pursuing collection. It was noted that the taxpayer, Anthony Desanto, is deceased and the property is currently for sale. Patty Rodriguez explained that with regard to the delinquent tax account of Gables Realty Ltd Partners, she had done some research and believes that the 1999 taxes showing

as delinquent appeared on the District's tax roll in May, 2006 after HCAD had made a correction to the roll because the taxes had not been assessed for 1999. She noted that Gables purchased the property from Chayn Mousa in 1998 and that Raveneaux purchased the property from Gables in 2000, and that the 1999 taxes were never paid. HCAD discovered the error and created a new account in the name of the 1999 owner, Gables Realty Ltd Partners. Ms. Rodriguez stated that she has been in contact with a representative of Gables to explain this matter. Board members continued review of the delinquent tax list and recommendations of Michael Cole.

President Monto then 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 delinquent taxes. It was noted that notice had been given via certified mail to the taxpayer listed on the tax roll, as well as a regular mail letter to "occupant" of each property. It was further 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) that a doorhanger notice is authorized to be given at the addresses of the accounts listed as Numbers 21, 24, 25, 26, 27, 28, 30, 31, 36, 38, and 39 for service termination on Tuesday, July 29th unless payment in full is made prior to that date; that a doorhanger notice is authorized to be given at the addresses of the accounts listed as Numbers 05 and 44 for service termination on Thursday, August 28th unless payment in full is made prior to that date; and that with regard to accounts Numbered 07 thru 20, a doorhanger notice be given to each tenant at the Willow Park Office Condos as was done last year for service termination on Thursday, August 28th unless payment in full is made prior to that date; all in accordance with the District's standard operating procedures. The motion was seconded by Director Gigliotti and carried by unanimous vote. Board members authorized the delinquent tax attorney to initiate suit against Siena Vista Holdings, Inc. (shown as #03) for taxes owing for 2004 through 2007; to re-notice the account at 7906 Masonwood Lane (Anthony Desanto); and to re-notice the account at 12067 Vinvale Road, rather than 12067 Vincent Road as shown on the tax roll.

WATER SUPPLY

Bradley Jenkins reported that he, Tobin Synatsch and Jason Ozuna had met with Directors Gigliotti and Wirasinghe and the operator to discuss alternatives for construction of surface water tie-in and chloramine conversion. Mr. Jenkins recommended that the Board authorize Alternative No. 1 which includes 1 analyzer versus Alternative No. 2 which includes 2 analyzers. He stated that even though Alternative No. 1 is initially more expensive, the maintenance and operation expenses for Alternative No. 2 would be twice as expensive because it includes 2 analyzers instead of 1. Directors queried the operator's experience with these types of analyzers. Scott Barr stated that there is a lot of maintenance with this type of analyzer and that he too would recommend that the Board authorize Alternative No. 1 which includes only 1 analyzer. Discussion continued and Tobin Synatsch explained that 7 days a week the operator will manually check the accuracy of the analyzer(s) with a hand held unit. It was also explained that some spare parts could be kept on hand so that repair time could be minimized on some types of repairs and maintenance. Bradley Jenkins recommended that, for the chloramine project, the engineer charge the District on an hourly basis rather than a percentage basis, with a not-to-exceed amount of \$50,000 (without the Board's approval). Discussion was also had concerning a FRP chemical storage building versus a concrete

block addition to the District's existing building. At the conclusion of discussion, Director Price moved authorization for the engineer to proceed with Alternative No. 1 and to have a FRP chemical storage building rather than a concrete block addition to the District's existing building; that a work order be authorized for the engineer to charge on an hourly basis with a not to exceed amount of \$50,000; and for the Board President to be authorized to review and approve the updated cost estimates and to attach them to the work order. The motion was seconded by Director Gigliotti and carried by unanimous vote. Bradley Jenkins and Tobin Synatasch stated that they believe that the chloramine conversion will be complete and online before September, 2009.

Some discussion was had with regard to the progress being made with the North Harris County Regional Water Authority for a contract for water supply, and Mr. Dougherty stated that there may end up not being a contract, but rather regulations that the Authority adopts and the District will need to comply with.

Bradley Jenkins stated that he spoke with the engineers for Prestonwood Forest UD and Cy-Champ PUD and that both have started design for their districts for chloramine conversion.

ENGINEERING MATTERS

Bradley Jenkins presented his written report to the Board. He reported that Cy-Champ PUD has indicated that it is not interested in another interconnect with MUD 191 because it does not think it is beneficial because before when it needed to take water, MUD 191 was not able to provide it. With regard to street settlement at 13606 Champions Centre Drive, Mr. Jenkins stated that he did receive 2 proposals for the repair work, but would like to also get proposals for an "open cut" repair, and if that proposed cost is less than \$50,000 he will informal solicit bids for such work. Mr. Jenkins next reported that he verified that it does not appear that the Villas at Willowbrook fire lines are within the easements as shown on the recorded plat. Some discussion was had, at the conclusion of which the Board authorized the engineer and attorney to work together to make a recommendation to the Board at the next meeting as to how best to proceed concerning the matter. Mr. Jenkins next reported that with regard to the sink hole located at 13406 Paragon Court, he does not believe that it is a water line issue but rather a storm sewer issue and therefore he has contacted Precinct 4 to have the problem addressed.

REGULAR REPORTS AND CONSENT AGENDA

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

Gus Gustafson reported that the valve survey is almost complete and he expects to have a report and recommendation for repairs for the Board's next meeting.

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 Wirasinghe and carried by unanimous vote.

Director Price raised a question with the bookkeeper as to the fluctuation in the District's electric bills.

Mr. Dougherty noted that he had nothing more to report than what is in his written report. Patty Rodriguez requested that the Board have an item placed on the next agenda to consider an addendum to the tax assessor/collector's contract for reimbursement of mileage and parking, which the District has no parking fees to be reimbursed.

Director Price then moved that the reports of the attorney, bookkeeper, investment officer, tax assessor/collector, and utility operator, along with tax bills and bookkeeper bills, be accepted, which motion was seconded by Director Wirasinghe and carried by unanimous vote.

DISTRICT INSURANCE

Board members requested that proposals be solicited for the District's insurance for the coverage period of 10/1/08 thru 09/30/09.

DEPOSITORY MATTERS

Mr. Dougherty reported that Compass Bank has merged with Texas State Bank and that Compass Bank is the surviving bank. He explained that Texas State Bank requests the District's acknowledgment of notification of transfer of the safekeeping custodian from Federal Home Loan Bank of Dallas to Federal Home Loan Bank of Atlanta. He stated that Michael Cole has been working with Compass Bank and Texas State Bank, and the District's depository pledge agreement will need to be amended to reflect such change in safekeeping custodian, but in the meantime Texas State Bank requests the District's written acknowledgment of same. Director Price moved that to the extent necessary the attorney be authorized to execute on the District's behalf an acknowledgment of notification of transfer of the safekeeping custodian from Federal Home Loan Bank of Dallas to Federal Home Loan Bank of Atlanta. The motion was seconded by Director Gigliotti and carried by unanimous vote.

PARK/RECREATION FACILITY & CLUBHOUSE


Lehnda Buisson stated that the HOA's attorney is still reviewing the proposed lease agreement.

WEBSITE

Director Price reported that he has updated the District's website. He stated that Texas Network, the firm that created the District's website, will manage it for \$25.00 per month. Board members authorized having Texas Network manage the District's website for \$25.00 per month. Director Price also stated that for a cost of not more than \$450, the website could be updated, to which the Board concurred.

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

(SEAL)



Secretary, Board of Directors

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

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

1. **ATTORNEY** to work with engineer with regard to Villas at Willowbrook fire line issues; and place items on next agenda to consider tax assessor/collector contract addendum and budget.
2. **OPERATOR** to complete valve survey and have a report and recommendation for repairs for the Board's next meeting.
3. **ENGINEER** to work with attorney with regard to Villas at Willowbrook fire line issues.