

**MINUTES OF SPECIAL MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
NOVEMBER 24, 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 special session, open to the public, beginning at 7:00 P.M., at The County Line Restaurant, 13850 Cutten Road, Houston, Texas 77069, on the 24th day of November, 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 Sgt. Hill and Lieutenant Michael Young of Harris County Precinct 4 Constables; Lehnda Buisson, Paul Gould, and Dan Anders, residents of the District; Gus Gustafson of SWWC; Bradley Jenkins and Jason Ozuna of Jones & Carter; Patty Rodriguez of Bob Leared Interests; Roger Schuett of Claudia Redden & Associates, LLC.; Cindy Nichols of Michael A. Cole, P.C.; and James L. Dougherty, Jr.

CONSTABLE MATTERS

Discussion was had concerning the renewal contracts with the Constables. At the conclusion of discussion, the Board determined to change the 70%/30% contract to a 100% contract, which would provide the District with two 100% Constables, rather than one 100% and one 70%/30% Constable. Lieutenant Young stated that he did not anticipate any problem with the Constables granting this request for increased coverage, and would follow-up to be sure that all of the necessary paperwork is completed to accommodate such change. Director Price then moved that the contract for one 100% Constable be executed with a change to provide for two, rather than one, Constables at 100%, and further to include the "standard" additional sentence referencing the District's operational arrangements (covered by a standing letter agreement with Constable Hickman). The motion was seconded by Director Miller and carried by unanimous vote. Board members directed Mr. Dougherty to work with the Constables to have the contract changed to provide for two 100% Constables, and to include the "standard" sentence about operational arrangements. Board members requested that if a new contract is required that an item be placed on the Board's December 15th agenda to consider such matter.

Some discussion was had concerning different kinds of crimes and activities within the District and how they may sometimes skew the statistics.

HOA LEASE

Mr. Dougherty reviewed the HOA lease amendment and stated that the quotes for the proposed improvements had come it at about \$6,500. Mr. Dougherty suggested that, if the District contract sdirectly for these improvements, it would avoid any cash flow problems for the HOA. In any event, he recommended that the lease be amended to include a schedule of such improvements, with an option for the District to contract directly, if authorized by the Board. Director Miller moved that the HOA Lease Amendment be authorized for execution to include a schedule of improvements with the option for them to be contracted for by the District, which motion was seconded by Director Gigliotti and carried by unanimous vote. Director Price then moved authorization for work orders for such improvements, which motion was seconded by Director Miller and carried by unanimous vote. Directors requested Mr. Dougherty to follow-up to be sure that all legal requirements necessary have been done with regard to the District's use and lease of the HOA clubhouse.

Discussion was also had concerning furnishings for the clubhouse. Directors said that they would look for folding tables and chairs, and Roger Schuett volunteered as well. No action was taken at this time concerning furnishings for the clubhouse.

BOOKKEEPER MATTERS

Director Wirasinghe moved that the District's bookkeeper be authorized and directed to make the annual transfer of funds in the amount of \$350,000 from the District's Operating Account to its Debt Service Fund, which motion was seconded by Director Miller and carried by unanimous vote..

UTILITY OPERATOR CONTRACT AMENDMENT

Mr. Dougherty reviewed changes proposed for the utility operator's contract to allow for the payment of overtime at 1.5 x the labor rate outside the employee's regularly scheduled hours (this was different from the original proposal), and to charge \$25.00 for disconnects and \$30.00 for reconnects. Director Wirasinghe moved approval of the utility operator's contract amendment as discussed, which motion was seconded by Director Miller and carried by unanimous vote. The First Amendment to Service Agreement of the utility operator's contract as approved is hereto attached.

REGULAR REPORTS AND CONSENT AGENDA

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

engineer and utility operator be accepted, and consideration of the bookkeeper's report be tabled, which motion was seconded by President Monto and carried by unanimous vote. Director Gigliotti moved that the tax bills and bookkeeper's bills be approved for payment, which motion was seconded by Director Miller and carried by unanimous vote.

CONSTRUCTION FUNDS

Mr. Dougherty reported that he and Claudia Redden have been working together to reconcile the District's construction funds and to prepare final schedules, which should be available for the Board's next meeting. Some discussion was had and Board members requested that Mr. Dougherty check to see when the first return(s) is due on the current reimbursement agreements the District has with various developers. Director Miller then moved that Mr. Dougherty be authorized to prepare a release of escrowed funds application, as well as an application for the use of surplus funds, which motion was seconded by Director Wirasinghe and carried by unanimous vote.

ENGINEERING MATTERS

In response to a query of President Monto, Bradley Jenkins confirmed that the chloramine conversion project is progressing and should be completed on time.

TAX MATTERS

Patty Rodriguez inquired as to whether the Board would like to have an aerial photo of the District taken on January 1, 2009 for an approximate cost of \$400. Directors authorized such photo and requested the tax assessor/collector to obtain a CD of same. Directors next authorized the tax assessor/collector to drive the District to identify businesses within the District that are not currently paying sales tax.

UTILITY OPERATOR MATTERS

Gus Gustafson noted that the Villas at Willowbrook are past due on the payment of their water account and are include on the list of accounts for proposed service termination. 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. Mr. Gustafson reported that the hearing notice was given for each account on the list of proposed terminations (but not to the individual residents at Villas at Willowbrook). It was noted that no persons were present to be heard, and the public hearing was closed. Director Wirasinghe then moved that with the exception of the account(s) for Villas at Willowbrook, 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.

CYPRESS CARES

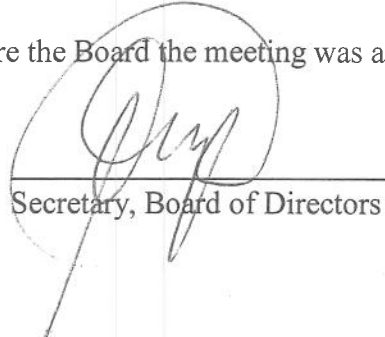
President Monto stated that a requested had been made by Cypress Cares for the Board's consideration to place information in customer water bills concerning the initiative of Cypress Cares to gather "goodies" to send to the troops in Iraq. Board members noted their support for the troops in Iraq, but did not feel like it was appropriate for the District to distribute the information, but offered to pass the information along to the HOA's to consider. Lehnda Buisson said that she would pass the information along.

In response to a query of Director Price, a short discussion was had concerning the utility operator's policy on shutting off service where a water leak is found. Board members requested the utility operator to place leak information and water conservation messages on District customer water bills.

In response to a query of Director Price, Bradley Jenkins stated that he would provide a copy of the updated boundary map to Director Price to give to the Constables.

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
Engineer's Report
Utility Operator's Report
First Amendment to Service Agreement

COMMITMENTS FOR ACTION
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
MEETING OF NOVEMBER 24, 2008

1. **ATTORNEY** to follow-up on Constable contract, and place item on next agenda concerning same, if needed; finalize HOA Lease Amendment; follow-up to be sure that all legal requirements necessary have been done with regard to the District's use and lease of the HOA clubhouse; and check to see when the first return(s) is due on the current reimbursement agreements the District has with various developers; and prepare a release of escrowed funds application, as well as an application for the use of surplus funds.
2. **BOOKKEEPER** to make \$350,000 transfer from District's Operating Account to its Debt Service Fund.
3. **TAX ASSESSOR/COLLECTOR** to obtain aerial photo of District on January 1, 2009 and a CD of same; and drive the District to identify any businesses that are not currently paying sales taxes.
4. **ENGINEER** to provide a copy of the updated boundary map to Director Price to give to the Constables.
5. **UTILITY OPERATOR** to place leak information and water conservation messages on District customer water bills.