

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
SEPTEMBER 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 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 24th day of September, 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. Keener of Harris County Precinct 4 Constables; Lehnda Buisson, Paul Gould and Dan Anders, residents of the District; John Howell of The GMS Group, LLC; Gus Gustafson of SWWC; Bob Leared of Bob Leared Interests; 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.

President Monto shared with the Board correspondence he had received from the North Harris County Regional Water Authority concerning a pumpage rate increase beginning in the first quarter of 2009 from \$0.99 per 1,000 gallons to \$1.50 per 1,000 gallons. Board members requested that Gus Gustafson calculate the necessary fees to be charged to District customers and to make a recommendation for a rate order amendment at the Board's next meeting.

CONSTABLE MATTERS

Board members reviewed the results of the poll that was sent out to residents concerning whether they would like no increase, a 41% increase or a 59% increase in the level of Constable patrol coverage currently being provided to the District. It was noted that, out of the 237 responses received, 118 residents did not want to increase the Constable patrol and 119 residents wanted an increase. The Board discussed the issues at some length but did not reach a consensus to change the level of Constable patrol in the District.

MINUTES

Director Gigliotti moved that the minutes of the August 27, 2008 meeting be approved, which motion was seconded by Director Miller and carried by unanimous vote.

TAX ASSESSOR/COLLECTOR'S REPORT

Bob Leared presented the tax assessor/collector's report. At the conclusion of the report, Director Price moved that the report be accepted, which motion was seconded by Director Miller and carried by unanimous vote. The tax bills as approved are hereto attached.

ATTORNEY'S REPORT

Jim Dougherty presented his written report to the Board. He reported that a proposed HOA lease amendment had been prepared and sent out recently, and that no further response had yet been received from the North Harris County Regional Water Authority concerning its regulations for the proposed surface water conversion in 2009.

UTILITY OPERATOR'S REPORT

Gus Gustafson presented his report to the Board. He reported that no service terminations had taken place because of the recent hurricane and that there are no proposed service terminations for consideration at tonight's meeting. He stated that all restaurant samplings are being redone because the ones that were taken are no good because of the power loss experienced during the hurricane, and that new samples will be taken at the District's expense. Mr. Gustafson next gave a recap of the operator's operations during the hurricane and stated that there had been no physical damage to any of the District's facilities. Some discussion was had concerning the purchase of a portable generator with a quick connect for the District's lift stations, and Board members requested that Bradley Jenkins prepare a cost estimate for same for the Board's next meeting. Gus Gustafson next suggested that the Board consider purchasing permanent signs for "Boil Water" and "Rescind Boil Water" that could be placed in the District when needed, because his office had no way to get the word out to residents during the recent hurricane.

DISTRICT INSURANCE

Board members reviewed an insurance analysis and premium comparison summary prepared by Michael Cole of the three insurance companies that submitted proposals for the District's insurance. At the conclusion of review and discussion, President Monto moved that the District renew its insurance policies with AquaSurance, which motion was seconded by Director Gigliotti and carried by unanimous vote.

ARBITRAGE REBATE REPORT

Mr. Dougherty presented a proposal from Arbitrage Compliance Specialists to prepare an arbitrage rebate report for the District's Series 1998 bonds. Director Price moved that hiring Arbitrage Compliance Specialists to prepare such report be approved and ratified, which motion was seconded by Director Gigliotti and carried by unanimous vote.

ENGINEER'S REPORT

Bradley Jenkins presented his report to the Board. At the request of Mr. Jenkins, Board

members authorized the paving and sanitary sewer repair at 13606 Champion Centre Drive subject to receipt of the contract documents from the contractor, and subject to the engineer's and attorney's review and the engineer's recommendation for approval of same. Mr. Jenkins reported that he is working to determine the costs of the sanitary sewer and water plants to give to the North Harris County Regional Water Authority for depreciation purposes.

DEPOSITORY BANKS

Mr. Dougherty reported that he had talked to Director Miller, Claudia Redden and representatives at TexPool concerning depository bank matters. It was noted that Claudia Redden is keeping District bank balances under \$100,000, and if she is unable to do so she will invest the District's funds in CD's at other banks. Mr. Dougherty stated that he will follow-up with Claudia Redden concerning this matter.

TAX MATTERS

John Howell presented some points for discussion concerning the District's proposed tax rate for 2008. It was noted that the District will propose a 2008 tax rate tonight and that Bob Leared's office will have it published and that the Board will hold a public hearing at its next meeting and set the tax rate at that meeting. A review and discussion was had concerning different tax rate scenarios, at the conclusion of which Director Miller moved that the District propose a 2008 tax rate of \$0.33 per \$100 assessed valuation composed of \$0.24 for debt service and \$0.09 for maintenance and operation purposes, and further to authorize and direct the tax assessor/collector to have such proposed tax rate published. The motion was seconded by Director Price and carried by unanimous vote.

BUDGET

Board members reviewed the draft budget and noted some changes to be made in the line items for maintenance tax amount, Constable services and water treatment utilities. It was noted that there was roughly an increase of \$69,000 which leaves a surplus of about \$41,000. Director Price then moved approval of the budget as amended, which motion was seconded by Director Miller and carried by unanimous vote.

ELECTRICAL ENERGY

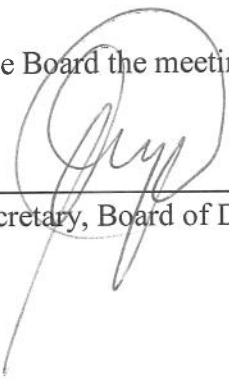
Director Gigliotti reported that the District did not opt out of P3 so it is in, and that the price per kilowatt is \$0.086, and that TXU rates are much higher at \$0.11 per kilowatt. It was noted that the expected electrical energy budget is approximately \$121,000.

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. Board members accepted the reports.

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

(SEAL)



Secretary, Board of Directors

Attachments: Tax Bills
Attorney's Report
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 SEPTEMBER 24, 2008

1. **ATTORNEY** to follow-up with bookkeeper regarding District bank balances; and place item on next agenda concerning public hearing on proposed 2008 tax rate and order levying taxes for 2008.
2. **UTILITY OPERATOR** to make a recommendation for a rate order amendment concerning Authority pumpage fees at the Board's next meeting.
3. **ENGINEER** to prepare a cost estimate for a portable generator with a quick connect for the District's lift stations for the Board's next meeting.
4. **TAX ASSESSOR/COLLECTOR** to publish proposed 2008 tax rate.