

**MINUTES OF REGULAR MEETING  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191  
JUNE 24, 2009**

**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 Champions MPC Clubhouse, 13719 Champions Centre Drive Houston, Texas 77069, on the 24<sup>th</sup> day of June, 2009, 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 Sergeant Richard Hill and Deputy Jones; John Howell of The GMS Group; Alice Riha, a resident of the District; Michael G. Schlafly, attorney; Bradley Jenkins and Ryan Wade of Jones & Carter; Patty Rodriguez of Bob Leared Interests; Cindy Nichols of Michael A. Cole, P.C.; and James L. Dougherty, Jr. Arriving shortly after the start of the meeting were Gus Gustafson of SWW; and Claudia Redden of Claudia Redden & Associates, LLC.

Noting that there were persons who had come to the meeting to address specific subjects on the agenda, the President brought up those subjects at the beginning of the meeting.

**CONSTABLE MATTERS**

Sergeant Richard Hill and Deputy Jones reported on Constable matters; and it was noted that Director Price is working to get an address list for in-district addresses to be patrolled by the Constables.

**PROPOSED REFUNDING BOND ISSUE**

John Howell presented information relating to a proposed refunding of the District's Series 1999 Bonds. He noted that the proposed refunding bond amount would be \$6.3 million and would produce a total savings over the next 8 years of approximately \$370,000 or \$46,000 annually. He noted that the bonds would be insured by Assured Guaranty and the paying agent would be Wells Fargo Bank. After a thorough review and discussion of the proposed refunding, Director Wirasinghe moved that the District's financial advisor be authorized to proceed with actions necessary to effect the refunding of the District's Series 1999 bonds as discussed, and that a special meeting be held next month, if needed. The motion was seconded by Director Gigliotti and carried by unanimous

vote. Director Gigliotti next moved the adoption of an order adopting procedures and standards of the City of Houston's Ordinance No. 97-416 as amended or supplemented. The motion was seconded by Director Price and carried by unanimous vote. The order as adopted is attached to the original minutes.

## **REGULAR SUBJECTS, MINUTES AND CONSENT AGENDA**

It was noted that the reports of the attorney, bookkeeper, 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.

*Bookkeeping Matters.* Regarding bookkeeping, it was noted that \$200,000 of construction funds have been earmarked for the District's chloramine conversion project. In response to a query raised by President Monto, discussion was had concerning the need for funds for a second interconnect.

*Tax Matters.* President Monto reviewed the preliminary report of appraised and taxable values for the District received from Harris County Appraisal District. Patty Rodriguez reported that the 2008 tax collections are 98% collected; and that there is a 12% increase in the District's 2009 preliminary assessed valuation from 2008, but that there will likely be an increase in taxpayer protests. Ms. Rodriguez also reported that she is working to follow-up with regard to the sales tax revenues for Beckspressos.

*Utility Operations. Matters.* Gus Gustafson reported that Sherwin Williams had applied for a permit. The Board determined to take no action on this permit request until the property is platted. Mr. Gustafson next reported that one of Cy-Champ PUD's wells is down. Some discussion was had concerning the District's drought contingency plan and what the process is for implementing the plan. Gus Gustafson recommended the repair of lift pump #1 at lift station #3 for an estimated cost of \$6,105. Director Wirasinghe moved that the operator be authorized to make such repair as recommended, which motion was seconded by Director Gigliotti and carried by unanimous vote.

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. It was noted that no persons were present to be heard, and the public hearing was closed. Director Miller 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.

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 delinquent personalty taxes. Cindy Nichols reported that the hearing notice was given for each account on the list of proposed terminations for non-payment of personalty taxes. Mr. Michael G.

Schlafly presented himself to the Board to discuss the account of Keystone West Contractors, Inc. It was noted that the District is only collecting for the 2008 personalty taxes dues, and that the 2005, 2006 and 2007 taxes are included in a 2007 bankruptcy filing. It was reported by Mr. Schlafly that HCAD has received a 2009 rendition reflecting that the landlord of Keystone locked-out the business in 2007 with seizure of all business personal property assets. In light of the information provided by Mr. Schlafly, it was determined that no further action would be taken to pursue collection of such taxes owing in the name of Keystone West Contractors, Inc. There being not other persons to be heard, the public hearing was closed. The Board then reviewed the list of delinquent personalty tax accounts, and authorized doorhanger notices to be hung for delinquent personalty taxes owing, but that no services terminations be made for such delinquencies.

Director Miller then moved that the reports of the tax assessor/collector, utility operator, bookkeeper and attorney be accepted, which motion was seconded by Director Gigliotti and carried by unanimous vote

*Minutes.* Review of the March, April and May meetings minutes was had. Director Wirasinghe moved that the minutes of all of the March, April and May meetings be approved with a correction to the May 27, 2009 minutes in the Constable Matters to reflect that the address list needed to be updated to correct errors in the Constable dispatch system. The motion was seconded by Director Gigliotti and carried by unanimous vote.

### **WATER AND SEWER ISSUES**

In response to a request of Mr. Dougherty, Director Miller moved for adoption of a resolution requesting TCEQ approval to use of surplus funds and escrow funds. The resolution included a request to release two old escrows in the amount of \$80,883 and \$13,200 because those funds are no longer needed for the original purpose and the District policy has changed to no longer finance costs for drainage. Director Wirasinghe seconded the motion, which carried by unanimous vote.

### **WATER SUPPLY**

President Monto brought to the Board's attention a letter received from the North Harris County Regional Water Authority (the "Authority") concerning a Harris-Galveston Subsidence District requirement to aggregate permits within the Authority.

### **GREEN MEDIANS AND GRADE SEPARATION PROJECTS**

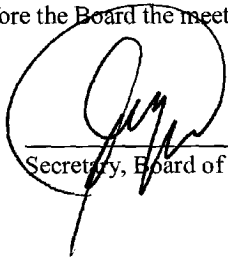
Mr. Dougherty reported that a letter had been sent to Cy-Champ PUD stating the District's offer to pay \$1,000 per month for the Green Medians project with certain restrictions on how such money could be used, and that Cy-Champ PUD sent back a counter-proposal to take out restrictions of the use of the money and insurance coverage. After discussion of the matter by the Board noted that the proposed changes were significant and directed Mr. Dougherty to send a letter to Cy-Champ acknowledging receipt of its counter-offer and the Board's decision not to accept it, and further to note that the District's original offer was withdrawn.

**ENGINEERING MATTERS**

Mr. Jenkins introduced Ryan Wade of his office to the Board. Mr. Jenkins reported that the critical load list application was submitted to CenterPoint Energy and his office has received confirmation that the District has been added. Mr. Jenkins also reported that the Prestonwood Park detention pond has been mowed through resident efforts, and that he has not been able to locate a copy of Harris County Flood Control District's acceptance letter for the detention pond. After discussion on the matter, Mr. Jenkins was directed to write a letter to Harris County Flood Control District to request that a letter be provided stating that the County is responsible for the maintenance of the Prestonwood park detention pond.

Mr. Jenkins requested that an item be placed on the next agenda concerning SB 361 and the requirement for an emergency preparedness plan. Mr. Jenkins stated that he would provide a copy of another district's plan for the Board's review. With regard to the monument sign at the apartments, Mr. Jenkins stated that his office has sent a letter to the development's engineer requiring that a letter be provided to the District and documentation that the sign is not located in the District's easement.

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



Secretary, Board of Directors

(SEAL)

- Attachments: Tax Bills  
General Fund Bills  
Investment Officer Report  
Utility Operator's Report  
Engineer's Report  
Resolution regarding surplus funds, escrow, etc.  
Order Adopting Procedures and Standards of the City of Houston's  
Ordinance No. 97-416

**COMMITMENTS FOR ACTION  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191  
MEETING OF JUNE 24, 2009**

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1. **ATTORNEY** to send a letter to Cy-Champ acknowledging receipt of their counter offer and the Board's decision not to accept it, and further to withdraw the District's offer; and place item on the next agenda concerning SB 361 and the requirement for an emergency preparedness plan.
2. **ENGINEER** to send letter to Harris County Flood Control District regarding acceptance of Prestonwood Park detention pond.
3. **TAX ASSESSOR COLLECTOR** to follow-up with City of Houston regarding Becspressos sales tax revenues.
4. **UTILITY OPERATOR** to place doorhanger notices for delinquent personalty tax accounts.
5. **JOHN HOWELL** to proceed with actions necessary to effect refunding the District's Series 1999 Bonds.

HARRIS COUNTY M.U.D. #191

Disbursements for month of June, 2009

| Check #                | Payee             | Description                   | Amount              |
|------------------------|-------------------|-------------------------------|---------------------|
| 1505                   | HCAD              | CAD Quarterly Assessment      | \$ 1,772.00         |
| 1506                   | Helen Dean        | Refund - due to adjustments   | 7.27                |
| 1507                   | Debt Service Fund | Transfer to Debt Service Fund | 15,000.00           |
| 1508                   | General Fund      | Transfer to General Fund      | 2,940.64            |
| 1509                   | Bob Leared        | Tax Assessor/Collector Fee    | 1,310.85            |
| TOTAL DISBURSEMENTS    |                   |                               | \$ 21,030.76        |
| Remaining Cash Balance |                   |                               | \$ <u>87,059.38</u> |

BANK OF TEXAS, N.A.

**OPERATING ACCOUNT**

**COMPASS BANK - 50302**

|   |   |  |
|---|---|--|
| <b>BALANCE FROM LAST REPORT</b>           |   | <b>\$ 9,708.46</b>   |
| <b>ADDED: DEPOSITS</b>                    |   | <b>59,905.04</b>   |
|   | U S TREASURY REFUND, FORM 941, 3RD QTR 2008 & 1ST QTR 2009 (NEEDS TO BE RESEARCHED)                                       | 1,217.25   |
|   | TAX CHECK #1503, MAINTENANCE TAXES  | 3,688.72   |
|   |   | <u>64,811.01</u>   |
| <b>ADDED: OTHER DEPOSITS</b>              |   | <b>4,740.00</b>  |
|   | TEXAS COMPTROLLER OF PUBLIC ACCOUNTS, CK#11970#703, DTD. 05/14/2008, DIVISION OF EMERGENCY MANAGEMENT, FEMA GRANT FOR IKE | 0.00   |
|   |   | <u>4,740.00</u>  |
| <b>ADDED: WIRE TRANSFER</b>               | FROM TEXPOOL  | 0.00   |
| <b>ADDED: INTEREST EARNED ON ACCOUNT</b>  |   | 0.00   |
| <b>ADDED: SALES TAX REVENUES</b>          | WARRANT 20255482, MARCH 2009, SALES TAXES   | 40,965.89  |
|   |   | <u>0.00</u>  |
|   |   | <b>40,965.89</b>   |
| <b>LESS: WIRE TRANSFER</b>                | TO TEXPOOL  | 0.00   |
| <b>LESS: MONTHLY BANK SERVICE CHARGES</b> | SERVICE CHARGES, ACH CHARGES & PRINTING OF DEPOSIT SUPS   | 0.00   |
| <b>LESS: CHECKS PREVIOUSLY APPROVED</b>   |   |  |
| 5908                                      | RELIANT ENERGY SOLUTIONS  | VARIOUS INVOICES (9,741.06)  |
| 5915                                      | CINDY NICHOLS   | MEETING EXPENSES, SAM'S CLUB \$8.98 & PIZZA HUT \$55.87 (54.63)                      |
|   |   | <u>TOTAL PREVIOUSLY APPROVED (9,805.69)</u>  |
| <b>LESS: CHECKS FOR APPROVAL</b>          |   |  |
| 5916                                      | MICHAEL A. COLE, P. C.  | LEGAL SERVICES THROUGH 08/21/2009 (6,730.55)   |
| 5917                                      | CLEMENTS FENCE CO., INC.  | INV. 10503, DTD. 01/09/2009, GREEN VINYL CHAIN LINK FENCE (1,006.00)                 |
| 5918                                      | DXI INDUSTRIES  | INV. 05503740-09, DTD. 04/03/2009, 5 CHLORINE 150# CYL (413.35)                      |
| 5919                                      | DXI INDUSTRIES  | INV. 05505188-08, DTD. 05/07/2009, 3 CHLORINE 150# CYL (248.01)                      |
| 5920                                      | DXI INDUSTRIES  | INV. 05505180-09, DTD. 05/07/2009, 3 CHLORINE 150# CYL (248.01)                      |
| 5921                                      | SEABACK MAINTENANCE INC.  | INV. 20804081, DTD.04/30/2009, MOWING OF PLANTS (400.95)                             |
| 5922                                      | SOUTHWEST WATER COMPANY   | INV. 887-29212, MAY 2009 OPERATOR FEES & EXPENSES (5,291.67)                         |
| 5923                                      | AT&T  | TELEPHONE SERVICE (159.04)   |
| 5924                                      | HARRIS COUNTY TREASURER   | AUGUST 2009 LAW ENFORCEMENT SERVICES (13,670.00)                                     |
| 5925                                      | JONES & CARTER, INC.  | INV. 0154217, DTD. 06/02/2009, WATER PLANT CHLORAMINE CONVERSION (1,405.23)          |
| 5926                                      | JONES & CARTER, INC.  | INV. 0154210, PROJ 05340-800-00, GENERAL CONSULTATION (12,369.33)                    |
| 5927                                      | BOB LEARED INTERESTS  | AUDITING OF SALES TAX REVENUE FROM CITY OF HOUSTON 03/2009 (419.25)                  |
| 5928                                      | WASTE MANAGEMENT  | ACCT NO. 110-0156574-0011-3, JUNE 2009 SERVICE (20.78)                               |
| 5929                                      | BENCO SYSTEMS, INCORPORATED   | INV. 0029706-120018MON, DTD. 06/01/2009, 06/01-07/01/2009 MONITORING SERVICE (30.00) |
| 5930                                      | CLAUDIA REDDEN & ASSOCIATES, L.L.C.   | INV. 1525, DTD. 06/01/2009, BOOKKEEPING & EXPENSES (1,853.36)                        |
| 5931                                      | EDWARD A. MONTO   | 06/24/2009 FEES OF OFFICE LESS WITHHOLDINGS (1.53)                                   |
| 5932                                      | ERNEST F GIGLIOTTI  | 06/24/2009 FEES OF OFFICE LESS WITHHOLDINGS (138.52)                                 |
| 5933                                      | ERROL WIRASINGHE.   | 06/24/2009 FEES OF OFFICE LESS WITHHOLDINGS (138.53)                                 |
| 5934                                      | ROBERT J. PRICE   | 06/24/2009 FEES OF OFFICE LESS WITHHOLDINGS (138.53)                                 |
| 5935                                      | VAUGHAN G MILLER  | 06/24/2009 FEES OF OFFICE LESS WITHHOLDINGS (138.53)                                 |

6/24/2009

HARRIS COUNTY M.U.D. NO. 191

76-0041754

5936 COMPASS BANK (FORMERLY TSB)

76-0041754, 2ND QTR 2009, FEDERAL TAX DEPOSIT (1,432.64)  
(50,253.81)

ENDING BALANCE IN DEMAND ACCOUNT

\$ 60,165.86

TEXPOOL - 25628-1111-900

ENDING BALANCE FROM LAST CHECK LIST

ADDED: WIRE TRANSFER  
ADDED: WIRE TRANSFER  
ADDED: INTEREST EARNINGS ON ACCOUNT  
ADDED: WIRE TRANSFER  
LESS: WIRE TRANSFERS  
ENDING BALANCE IN TEXPOOL

76000-2662800011

\$ 1,543,658.84  
FROM TAX ACCOUNT 0.00  
FROM DEMAND ACCOUNT 0.00  
587.16  
TO DEMAND ACCOUNT 0.00  
0.00  
\$ 1,544,228.00

TOTAL OPERATING FUNDS

\$ 1,604,391.86

HARRIS COUNTY MUD NO. 191

6/24/2009

05/28/2009-06/24/2009

**INVESTMENT REPORT**

| CURRENT INVESTMENTS  |  |         |                 |                   |             |                 |
|--|--|---------|-----------------|-------------------|-------------|-----------------|
| TYPE OF INVESTMENT   | MATURITY DATE  | RATE    | BOOK VALUE      | VALUE LAST REPORT | ADDED VALUE | MARKET VALUE    |
|  |  | MAY     |                 |                   |             |                 |
| <b>OPERATING ACCOUNT</b>   |  |         |                 |                   |             |                 |
| TEXPOOL: 76509:2562800011  | OPEN   | 0.4326% | \$ 1,544,226.00 | \$ 1,543,658.84   | \$ 567.16   | \$ 1,544,226.00 |
| TOTAL INVESTMENTS  |  |         | \$ 1,544,226.00 | \$ 1,543,658.84   | \$ 567.16   | \$ 1,544,226.00 |
| <b>DEBT SERVICE FUND</b>   |  |         |                 |                   |             |                 |
| TEXPOOL: 76509:2562800001  | OPEN   | 0.4326% | \$ 515,368.24   | \$ 445,204.66     | \$ 163.58   | \$ 515,368.24   |
| TOTAL INVESTMENTS  |  |         | \$ 515,368.24   | \$ 445,204.66     | \$ 163.58   | \$ 515,368.24   |
| <b>CAPITAL PROJECTS FUND</b>   |  |         |                 |                   |             |                 |
| SERIES 1998: 76509:2562800003  | OPEN   | 0.4326% | \$ 543,238.27   | \$ 543,118.89     | \$ 119.58   | \$ 543,238.27   |
| SERIES 1998 ESCROW: STERLING BANK  | OPEN   | 5.0000% | \$ 105,717.65   | \$ 104,063.76     | \$ 1,653.89 | \$ 105,717.65   |
| SERIES 1998: 76509:2562800010  | OPEN   | 0.4326% | \$ 309,704.27   | \$ 309,650.48     | \$ 113.79   | \$ 309,784.27   |
| TOTAL INVESTMENTS  |  |         | \$ 958,720.19   | \$ 956,832.93     | \$ 1,887.26 | \$ 958,720.19   |
| <b>COLLATERAL PLEDGED</b>  |  |         |                 |                   |             |                 |
| STERLING BANK  | SEE ATTACHED SCHEDULE                                  |         | 5/31/2009       | MARKET VALUE      | \$          | 25,136.00       |
| COMPASS BANK (FORMERLY TEXAS STATE   | SEE ATTACHED SCHEDULE                                  |         | 5/11/2009       | MARKET VALUE      | \$          | 269,713.23      |
| <b>INVESTMENT TRAINING</b>   |  |         |                 |                   |             |                 |
| CLAUDIA REDDEN - 4 HRS 06/2008, UNIVERSITY OF NORTH TEXAS & A&M, GALVESTON, TX, PFA TRAINING |  |         |                 |                   |             |                 |
| 8 HRS 07/10/2007, TX RURAL WATERS ASSOC., GALVESTON, TX, PFA TRAINING                        |  |         |                 |                   |             |                 |
| <b>AUTHORIZATION STATEMENT</b>   |  |         |                 |                   |             |                 |
| 24-Jun-09  | INVEST ANY EXCESS FUNDS IN DEMAND ACCOUNT INTO TEXPOOL |         |                 |                   |             |                 |
| OPERATING ACCOUNT  | INVEST ANY EXCESS FUNDS IN DEMAND ACCOUNT INTO TEXPOOL |         |                 |                   |             |                 |
| CONSTRUCTION FUND  | INVEST ANY EXCESS FUNDS OR TAX TRANSFERS INTO TEXPOOL  |         |                 |                   |             |                 |
| DEBT SERVICE FUND  |  |         |                 |                   |             |                 |

THIS REPORT AND THE DISTRICT'S INVESTMENT POLICY ARE SUBMITTED TO THE BOARD FOR ITS REVIEW AND TO MAKE ANY CHANGES THERETO AS DETERMINED BY THE BOARD TO BE NECESSARY AND PRUDENT FOR THE MANAGEMENT OF DISTRICT'S FUNDS. THE INVESTMENTS ARE IN COMPLIANCE WITH THE INVESTMENT POLICY. INVESTMENT OFFICER'S SIGNATURE

(Claudia Redden was appointed investment officer on 09/15/1999)

# **Harris County Municipal Utility District No. 191**

## **OPERATIONS REPORT May 2009**



**SouthWest  
Water Company**

**HARRIS CO. MUD #191**  
**CONNECTIONS REPORT**  
**MAY 2009**

| CONNECTIONS              | MAY 25<br>2009 |
|--------------------------|----------------|
| Occupied Single Family   | 590            |
| Vacant Single Family     | 38             |
| Multi-Family             | 3              |
| Commercial               | 39             |
| Builder                  | 2              |
| Irrigation               | 43             |
| Rental Meters            | 1              |
| District Meters          | 6              |
| <b>TOTAL CONNECTIONS</b> | <b>722</b>     |

**METER INSTALLATIONS AND INSPECTIONS**  
**APR 26 - MAY 25**

|   |    |
|---|----|
| New Taps Installed . . . . .                    | 1  |
| Sewer Inspections Completed. . . . .            | 0  |
| Builder Inspections Completed. . . . .          | 0  |
| Customer Service Inspections Completed. . . . . | 1  |
| Net Rental Meter Change. . . . .                | +1 |

**Harris County Municipal Utility**  
**District No. 191**  
**Regulatory Information**  
**MAY 2009**

**WASTEWATER TREATMENT**

|                              |             |
|------------------------------|-------------|
| Permitted Average Daily Flow | 600,000 GPD |
| Permit Number                | 14447-001   |
| Permit Expires               | 12/01/12    |
| Permit Capacity:             | 47.8%       |

Permit Excursions: None

| <u>Effluent Flow</u> | <u>Permitted</u> | <u>Actual</u> | <u>Units</u>       |
|----------------------|------------------|---------------|--------------------|
| DO Minimum:          | 4.00             | 6.700         | Milligrams / Liter |
| Minimum pH           | 6.00             | 7.300         | Standard Units     |
| Maximum pH           | 9.00             | 7.800         | Standard Units     |
| TSS Daily Avg.:      | 75.0             | 6.620         | Pounds / Day       |
| TSS Daily Avg.:      | 15.0             | 3.000         | Milligrams / Liter |
| TSS Daily Max.:      | 40.0             | 4.000         | Milligrams / Liter |
| NH3 Daily Avg.:      | 15.0             | 0.320         | Pounds / Day       |
| NH3 Daily Avg.:      | 3.0              | 0.200         | Milligrams / Liter |
| NH3 Daily Max.:      | 10.0             | 0.300         | Milligrams / Liter |
| Flow Daily Avg.:     | 0.600            | 0.287         | Million Gal. / Day |
| Flow Daily Max.:     | n/a              | 0.533         | Million Gal. / Day |
| Minimum Chlorine:    | 1.000            | 1.000         | Milligrams / Liter |
| Maximum Chlorine:    | 4.000            | 3.690         | Milligrams / Liter |
| CBOD Daily Avg.:     | 50.0             | 3.240         | Pounds / Day       |
| CBOD Daily Avg.:     | 10.0             | 1.450         | Milligrams / Liter |
| CBOD Daily Max.:     | 25.0             | 2.200         | Milligrams / Liter |

**WATER SYSTEM**

Bacteriological Analysis  
The required   3   samples were taken during May-09

TCEQ Chemical Analysis:

|                                   |          |
|-----------------------------------|----------|
| Metals                            | 06/04/03 |
| Radio-Chemicals                   | 11/14/06 |
| Volatile Organic Compounds (VOCs) | 06/04/03 |
| Minerals                          | 09/24/08 |
| Trihalomethane Gases (THMs)       | 09/20/05 |
| Haloacetic Acids (HAAs)           | 09/20/05 |

**WATER PRODUCTION**

|                |                              |
|----------------|------------------------------|
| Purchased      | From                         |
| Sold           | To                           |
| Pumped         | 18,160,000 at Water Plant #1 |
| Pumped         | 0 at Water Plant #2          |
| Total Supplied | 18,160,000                   |
| Daily Average  | 605,333                      |

**SUBSIDENCE INFORMATION**

|                                      |             |
|--------------------------------------|-------------|
| Permit Number                        | 3751        |
| Permit Renewed                       | 09/01/08    |
| Permit Expires                       | 08/31/09    |
| Gallons Authorized                   | 230,000,000 |
| Cumulative Gallons Produced          | 152,541,000 |
| Authorized Gallons Remaining         | 77,459,000  |
| Average Gallons Per Month            | 16,949,000  |
| Estimated Number of Months Available | 4.57        |
| Permit Months Remaining              | 3           |
| Percent of Permitted Production      | 66.32       |

**HARRIS CO. MUD #191**  
**MAY 2009**

**OPERATIONS CHARGES:**

|                              |                   |
|------------------------------|-------------------|
| 1. Operations Fees           | 2,500.00          |
| 2. Water Well                | 364.05            |
| 3. Water Distribution        | 5,164.87          |
| 4. Elevated Storage Tank     | 0.00              |
| 5. Sewer Treatment Plant     | 0.00              |
| 6. Sanitary Sewer Collection | 385.00            |
| 7. Lift Station              | 421.00            |
| 8. Storm Sewer               | 0.00              |
| 9. Pumping Station           | 0.00              |
| 10. Builder Services         | 35.00             |
| 11. Administrative Services  | 421.75            |
| 12. Regulatory Fees          | 0.00              |
| 13. Miscellaneous Charges    | 0.00              |
| 14. Ground Storage           | 0.00              |
| 15. Green Belt               | 0.00              |
| 16. Backflow                 | 0.00              |
| 17. Parks                    | 0.00              |
| 18. Interconnect             | 0.00              |
| 19. Ditch Services           | 0.00              |
| TOTAL OPERATIONS CHARGES     | <u>\$9,291.67</u> |

**HARRIS CO. MUD #191**  
**CUSTOMER BILLING REPORT**  
 April 26, 2009 Through May 25, 2009

Billed Water for Billing Period = 14,701,400 Gallons

**Current Billing:**

|                              |           |              |
|------------------------------|-----------|--------------|
| Deposit                      | \$ 150.00 |              |
| Transfer                     | 50.00     |              |
| Penalty                      | 0.00      |              |
| Water                        | 21,037.89 |              |
| Sewer                        | 15,669.21 |              |
| Tex Comm Environ Quality     | 184.15    |              |
| Region Water Authority       | 22,972.25 |              |
| Grease Trap Inspec.          | 840.00    |              |
| Ach Transmittal Fee          | 31.00     |              |
| Industrial Wastewater Charge | 19,534.99 |              |
| Miscellaneous                | 0.00      |              |
| Service Order                | 25.01     |              |
| Fire Protection Services     | 300.21    |              |
|                              |           |              |
| Total Current Billing        |           | \$ 80,794.71 |

**Aged Receivables:**

|                        |             |             |
|------------------------|-------------|-------------|
| Sixty (60) Days        | \$ 5,962.05 |             |
| Thirty (30) Days       | 11,482.72   |             |
|                        |             |             |
| Billed Arrears         | 17,444.77   |             |
| Credit Bal Fwd         | <10,178.39> |             |
|                        |             |             |
| Total Aged Receivables |             | \$ 7,266.38 |

**Accounts Receivables:**

|                              |           |              |
|------------------------------|-----------|--------------|
| Deposit                      | \$ 187.84 |              |
| Transfer                     | 50.00     |              |
| Late Charges                 | 1,050.55  |              |
| Water                        | 22,426.10 |              |
| Sewer                        | 18,525.44 |              |
| Tex Comm Environ Quality     | 213.37    |              |
| Region Water Authority       | 24,392.44 |              |
| Grease Trap Inspec.          | 900.00    |              |
| Ach Transmittal Fee          | 30.00     |              |
| Industrial Wastewater Charge | 19,870.13 |              |
| Miscellaneous                | 90.00     |              |
| Service Order                | 25.01     |              |
| Fire Protection Services     | 300.21    |              |
|                              |           |              |
| Total Accounts Receivables   |           | \$ 88,061.09 |

**Deposit Liability:**

|               |          |               |
|---------------|----------|---------------|
| Balance As Of | 04/26/09 | \$ 107,627.38 |
| Collections   |          | 112.16        |
| Adjustments   |          | 0.00          |
|               |          | <hr/>         |
| Balance As Of | 05/25/09 | \$ 107,739.54 |

**HARRIS CO. MUD #191**  
**SCHEDULED MAINTENANCE AND REPAIR TIMETABLE**  
**MAY 2009**

Inspections Completed:

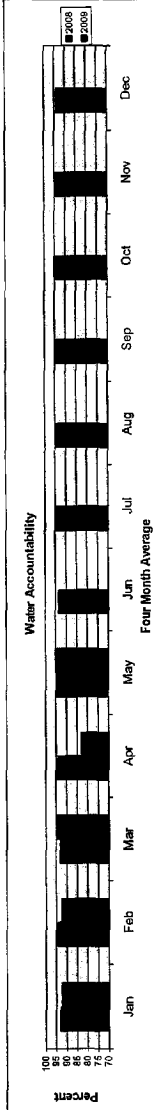
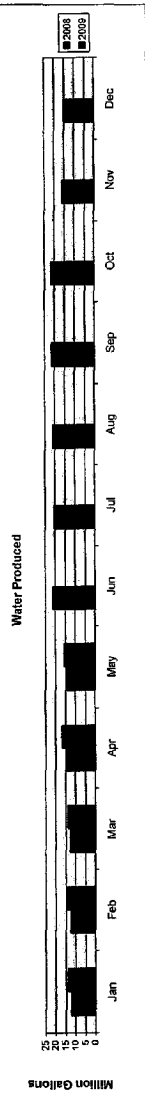
Fire Hydrants

04/13/09

# Harris County Municipal Utility District No. 191

## Water Production and Accountability Report

| Period Ending       | Produced (MG) | Purchased (MG) | Total Produced | Billed (MG) | Sold (MG) | Accounted For | Total Consumption | Accountability (%) | Four Month Average | Daily Avg. Flow, STP | Four Mo STP Average |
|---------------------|---------------|----------------|----------------|-------------|-----------|---------------|-------------------|--------------------|--------------------|----------------------|---------------------|
| 12/24/07 - 01/21/08 | 12,154        | 0,000          | 12,154         | 10,902      | 0,000     | 0,400         | 11,302            | 63.0               | 92.89              | 0.259                | 0.252               |
| 01/22/08 - 02/19/08 | 12,652        | 0,000          | 12,652         | 9,384       | 0,000     | 2,700         | 12,084            | 95.5               | 94.17              | 0.258                | 0.253               |
| 02/20/08 - 03/19/08 | 12,795        | 0,000          | 12,795         | 10,738      | 0,062     | 0,602         | 11,702            | 91.5               | 92.94              | 0.263                | 0.256               |
| 03/20/08 - 04/19/08 | 14,795        | 0,000          | 14,795         | 13,539      | 0,040     | 0,600         | 14,179            | 96.8               | 93.95              | 0.267                | 0.259               |
| 04/20/08 - 05/19/08 | 14,655        | 0,000          | 14,655         | 13,379      | 0,000     | 0,441         | 13,799            | 93.1               | 93.80              | 0.269                | 0.264               |
| 05/20/08 - 06/19/08 | 14,746        | 0,000          | 14,746         | 13,446      | 0,000     | 0,000         | 13,799            | 92.1               | 93.80              | 0.269                | 0.264               |
| 06/20/08 - 07/19/08 | 20,715        | 0,000          | 20,715         | 20,232      | 0,000     | 0,000         | 20,232            | 97.7               | 95.16              | 0.271                | 0.266               |
| 07/20/08 - 08/19/08 | 21,223        | 0,000          | 21,223         | 19,622      | 0,000     | 0,450         | 19,972            | 94.1               | 94.72              | 0.258                | 0.257               |
| 08/20/08 - 09/19/08 | 21,563        | 0,000          | 21,563         | 19,660      | 0,000     | 0,404         | 20,064            | 93.0               | 94.24              | 0.274                | 0.269               |
| 09/20/08 - 10/19/08 | 21,851        | 0,000          | 21,851         | 16,501      | 3,000     | 1,500         | 21,001            | 96.1               | 95.23              | 0.267                | 0.268               |
| 10/20/08 - 11/19/08 | 16,159        | 0,000          | 16,159         | 14,881      | 0,000     | 0,450         | 16,331            | 94.9               | 94.53              | 0.271                | 0.268               |
| 11/20/08 - 12/19/08 | 15,159        | 0,000          | 15,159         | 13,772      | 0,000     | 0,232         | 14,004            | 92.4               | 94.10              | 0.285                | 0.274               |
| 12/20/08 - 01/19/09 | 13,877        | 0,000          | 13,877         | 11,533      | 0,000     | 1,269         | 12,802            | 92.3               | 92.91              | 0.279                | 0.276               |
| 01/20/09 - 02/19/09 | 14,844        | 0,000          | 14,844         | 13,665      | 0,000     | 0,026         | 13,691            | 92.2               | 92.94              | 0.259                | 0.274               |
| 02/20/09 - 03/19/09 | 13,946        | 0,000          | 13,946         | 13,132      | 0,000     | 0,094         | 13,226            | 94.8               | 92.93              | 0.268                | 0.273               |
| 03/20/09 - 04/19/09 | 16,938        | 0,000          | 16,938         | 12,200      | 0,000     | 1,850         | 14,050            | 82.8               | 91.54              | 0.269                | 0.274               |
| 04/20/09 - 05/19/09 | 15,590        | 0,000          | 15,590         | 14,514      | 0,000     | 0,027         | 14,641            | 95.2               | 91.26              | 0.267                | 0.276               |



H.S.C.S. D PERMIT: 09021008 - 09/27/09

West No. 3751

Current Period:

06/01/09 - 06/30/09

Gallons Authorized: 230,000  
 Current Month Periods: 18,160  
 Cumulative Production: 152,541  
 Authorized Gallons Rem: 77,459  
 Average Gallon Per Month: 16,949  
 Permit Months Remaining: 3

Southwest Water Company

## Harris County Municipal Utility District No. 191

### Tap Activity Report

| MONTH     | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-----------|------|------|------|------|------|------|------|------|
| January   | 12   | 19   | 8    | 0    | 0    | 0    | 0    | 0    |
| February  | 17   | 9    | 3    | 0    | 2    | 1    | 2    | 0    |
| March     | 16   | 0    | 3    | 0    | 1    | 1    | 1    | 0    |
| April     | 24   | 2    | 5    | 6    | 0    | 0    | 0    | 0    |
| May       | 10   | 32   | 3    | 1    | 0    | 0    | 1    | 0    |
| June      | 11   | 3    | 1    | 0    | 0    | 2    | 0    |      |
| July      | 13   | 12   | 1    | 0    | 0    | 0    | 1    |      |
| August    | 6    | 11   | 1    | 0    | 0    | 1    | 0    |      |
| September | 15   | 11   | 0    | 0    | 0    | 0    | 0    |      |
| October   | 8    | 4    | 3    | 0    | 0    | 0    | 0    |      |
| November  | 10   | 2    | 1    | 0    | 0    | 0    | 0    |      |
| December  | 17   | 5    | 0    | 7    | 0    | 1    | 0    |      |

|                    |     |     |    |    |   |   |   |   |
|--------------------|-----|-----|----|----|---|---|---|---|
| TOTAL YEAR TO DATE | 159 | 110 | 29 | 14 | 3 | 6 | 5 | 0 |
|--------------------|-----|-----|----|----|---|---|---|---|

|                   |    |   |   |   |   |   |   |   |
|-------------------|----|---|---|---|---|---|---|---|
| AVERAGE PER MONTH | 13 | 9 | 2 | 1 | 0 | 1 | 0 | 0 |
|-------------------|----|---|---|---|---|---|---|---|

Customer Cht.. 18 For Bill Due.. 05/25/09  
Sched Meeting.. 4TH WEDNESDAY @7:00PM 13850 CUTTEN ROAD HOU T  
Next Meeting... 06/24/09 07:00PM

| Line | Account | Dir | Excl | Status | Customer Name     | Service Address        | Original Delinquent | Current Total Arrears | Current Period Balance | Current Total Balance |
|------|---------|-----|------|--------|-------------------|------------------------|---------------------|-----------------------|------------------------|-----------------------|
| 9    | 9043150 |     |      |        | COOK CAROL        | 7003 BRITON CENTRE CT  | 74.78               | 82.26                 | 80.96                  | 163.22                |
| 25   | 9043449 |     |      |        | GAMBRELL CLYDE SR | 14003 NAPLES PARK LN   | 28.30               | 31.17                 | 28.65                  | 59.82                 |
| 37   | 9043583 |     |      |        | GTBBS DEYMOND     | 7910 TIMBER PARK TR    | 32.30               | 35.01                 | 34.32                  | 69.33                 |
| 5    | 9043083 |     |      |        | GOOCH RUTH        | 7010 CENTRE OAKS DR    | 82.55               | 90.81                 | 80.96                  | 171.77                |
| 14   | 9043277 |     |      |        | HOLLIS FLOYD      | 42 ARBOR BEND          | 25.49               | 28.04                 | 57.01                  | 85.05                 |
| 15   | 9043283 |     |      |        | KELLEY TRACY      | 66 ARBOR BEND          | 31.48               | 34.63                 | 19.17                  | 53.80                 |
| 28   | 9043511 |     |      |        | MIRELES DAVID     | 14022 HILLINGDALE LN   | 39.22               | 43.14                 | 37.16                  | 80.30                 |
| 29   | 9043512 |     |      |        | NUNEZ ROBERT      | 14026 HILLINGDALE LN   | 39.00               | 42.90                 | 48.50                  | 91.40                 |
| 41   | 9043656 |     |      |        | O'HARA JOHN       | 13715 BERRY SPRINGS DR | 32.82               | 34.90                 | 23.91                  | 58.81                 |
| 27   | 9043473 |     |      |        | OROZCO EDDIE      | 13703 NAPLES PARK LN   | 20.75               | 22.83                 | 27.07                  | 49.90                 |
| 40   | 9043632 |     |      |        | PERKINS DELAINE   | 7818 HIGHLAND GREEN CT | 21.54               | 24.09                 | 28.65                  | 52.74                 |
| 23   | 9043405 |     |      |        | PERKINS MARY & WI | 13811 HILLINGDALE LN   | 27.07               | 29.78                 | 31.48                  | 61.26                 |
| 20   | 9043353 |     |      |        | RASMUSSEN TAMMY   | 30 ARBOR BEND          | 53.79               | 59.17                 | 20.75                  | 79.92                 |
| 32   | 9043524 |     |      |        | SHABAAH IBRAHIM   | 8022 HIGH HOLLOW LN    | 31.48               | 34.63                 | 28.65                  | 63.28                 |
| 1    | 9042988 |     |      |        | TIRE KINGDOM INC/ | 7115 FM 1960 WEST      | 302.43              | 332.67                | 110.26                 | 442.93                |
| 31   | 9043519 |     |      |        | TORRES-STAMPS ROS | 8002 HIGH HOLLOW LN    | 39.99               | 43.99                 | 42.83                  | 86.82                 |
| 24   | 9043414 |     |      |        | WALKER RHONDA     | 7911 TYNELAND CT       | 31.48               | 34.63                 | 23.91                  | 58.54                 |
| 36   | 9043573 |     |      |        | WILSON LAYNE      | 7807 TIMBER VIEW CT    | 27.07               | 29.78                 | 27.07                  | 56.85                 |

&100(s10H

941.54 1,034.43

751.31 1,785.74

UPDATED

**Donald L Gustafson**

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**From:** Whitney Aelmore  
**Sent:** Monday, June 15, 2009 11:10 AM  
**To:** Donald L Gustafson; Eric Martin  
**Cc:** Don Dunstan  
**Subject:** HC191LP1(06.15.09)

ESTIMATE: PLEASE APPROVE ASAP

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**ESTIMATE OF REPAIRS**

**June 15, 2009**

**TO: GUS GUSTAFSON**

**FROM: DON DUNSTAN**

**DISTRICT: HC191**

**LOCATION: L3**

**REPAIR LIFT PUMP #1**  
**FLYGT**  
**NTS**

**2474987**

DISASSEMBLE AND INSPECT IMPELLER  
BEARINGS, SEALS, O-RINGS, WEAR RINGS, 40FT CABLE

**NOTE: REPAIR TIME IS 1-2 WEEKS. NTS SUPPLIED 4" RENTAL PUMP. RENTAL PUMP IS \$60/DAY, \$180/WEEK, \$540/MONTH. FINAL COSTS FOR REPAIR AND REPLACEMENT ARE SUBJECT TO APPLICABLE DISTRICT MARKUP.**

COST AND LABOR: \$2,195.00  
REPLACEMENT COST AND LABOR: \$6,105.00

RESPECTFULLY

*DON DUNSTAN*

Per Emergency Regulation Adopted 1/26/05  
 Section 3.6 Flow Calculation  
 5/31/09

|  | GPD                | Permit Received Date | Board Approval Date | Permit Expiration Date | De minimus Calculation (2,006 GPD per acre) 2006 | Acreage Served |
|--|--------------------|----------------------|---------------------|------------------------|--|----------------|
| <b>Apr-09</b>                                      | From Avg on report |                      |                     |                        |  |                |
| Daily average flow - 4 month average               | 274,000            |                      |                     |                        |  |                |
| Permit renewal - Tung N. Giep/B&W Holdings         | 2,067              | 2/27/09              | 2/27/09             | 2/27/10                | 3,551  | 1.77           |
| Sansai Ltd. (Willowbrook Professional Complex )    | 2,200              | 6/15/07              | 6/15/07             | 6/15/09                | 3,551  | 1.77           |
| Citation Oil & Gas Corp.                           | 16,000             | 6/15/07              | 6/15/07             | 6/15/09                | 25,777   | 12.85          |
| Villas at Willowbrook - Commitment                 | 29,610             | Now being served     |                     |                        |  |                |
| Villas at Cutten Road                              | 64,000             | 11/28/2007           | 11/28/07            | 4/26/09                | 38,696   | 19.29          |
| Danny Allen, Jr. Residence                         | 315                | Now being served     | 6/27/07             | 9/24/09                | 1,003  | 0.5            |
| Paul Clent Residence                               | 315                | Now being served     | 10/24/07            | 6/18/08                | 602  | 0.3            |
| Residence at 13715 Vintage Centre Drive            | 315                | Now being served     | 5/21/08             | 11/27/08               | 682  | 0.34           |
| Tom Fuller   | 5,830              | 6/25/08              | 6/25/08             | 6/30/10                | 7,798  | 3.8873         |
| Cy Champ Park                                      | 0                  | Now being served     | 10/24/07            | 11/20/07               | 200 GPD Water Only                               |                |
| Halle Properties (Discount Tire Offices/Warehouse) | 1,418              | 2/27/09              | 2/27/09             | 2/26/10                | 14,042   | 7.0            |
| Total daily average flow Plus commitment           | 396,070            |                      |                     |                        |  |                |
| Maximum safe loading level                         | 404,600            |                      |                     |                        |  |                |
| Less daily average flow plus approved commitment   | 396,070            |                      |                     |                        |  |                |
| GPD remaining as of 4/30/09                        | 8,530              |                      |                     |                        |  |                |

|  | GPD                | Permit Received Date | Board Approval Date | Permit Expiration Date | De minimus Calculation (2,006 GPD per acre) 2006 | Acreage Served |
|--|--------------------|----------------------|---------------------|------------------------|--|----------------|
| <b>May-09</b>                                      | From Avg on report |                      |                     |                        |  |                |
| Daily average flow - 4 month average               | 276,000            |                      |                     |                        |  |                |
| Permit renewal - Tung N. Giep/B&W Holdings         | 2,067              | 2/27/09              | 2/27/09             | 2/27/10                | 3,551  | 1.77           |
| Sansai Ltd. (Willowbrook Professional Complex )    | 2,200              | 6/15/07              | 6/15/07             | 6/15/09                | 3,551  | 1.77           |
| Citation Oil & Gas Corp.                           | 16,000             | 6/15/07              | 6/15/07             | 6/15/09                | 25,777   | 12.85          |
| Villas at Willowbrook - Commitment                 | 29,610             | Now being served     |                     |                        |  |                |
| Villas at Cutten Road                              | 64,000             | 11/28/2007           | 11/28/07            | 4/26/09                | 38,696   | 19.29          |
| Danny Allen, Jr. Residence                         | 315                | Now being served     | 6/27/07             | 9/24/09                | 1,003  | 0.5            |
| Paul Clent Residence                               | 315                | Now being served     | 10/24/07            | 6/18/08                | 602  | 0.3            |
| Residence at 13715 Vintage Centre Drive            | 315                | Now being served     | 5/21/08             | 11/27/08               | 682  | 0.34           |
| Tom Fuller   | 5,830              | 6/25/08              | 6/25/08             | 6/30/10                | 7,798  | 3.8873         |
| Cy Champ Park                                      | 0                  | Now being served     | 10/24/07            | 11/20/07               | 200 GPD Water Only                               |                |
| Halle Properties (Discount Tire Offices/Warehouse) | 1,418              | 2/27/09              | 2/27/09             | 2/26/10                | 14,042   | 7.0            |
| Sherwin-Williams                                   | 816                | Pending              |                     |                        |  |                |
| Total daily average flow Plus commitment           | 398,886            |                      |                     |                        |  |                |
| Maximum safe loading level                         | 404,600            |                      |                     |                        |  |                |
| Less daily average flow plus approved commitment   | 398,886            |                      |                     |                        |  |                |
| GPD remaining as of 5/31/09                        | 5,714              |                      |                     |                        |  |                |

Harris County Municipal Utility District No. 191  
“(District)”

**PERMIT FOR WATER AND SANITARY SEWER  
CAPACITY**

**Permittee:** Sherwin-Williams Company  
*Address: 2100 Lakeside Blvd., Suit500  
Richardson, Texas 75082  
Phone: (214) 553-3945  
Fax: (214) 553-3900  
Email: JDHallmark@sherwin.com*

**Permit Period:** June 24, 2009 through June 23, 2010

**Permitted Parcel:** TR 1M-1  
ABST 217 G.W.Childress.

**Permitted Use:** 12,000 square foot existing retail center.

**Permitted Capacity:** 816 Gallons Per Day Sanitary Sewer Capacity and 960  
Gallons Per Day Water Capacity.

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**General Provisions:** During the Permit Period, and subject to all terms and conditions of this permit, the Permittee may have connections established (by the District) to connect the Permitted Parcel to the District’s water and sanitary sewer system, to serve only the Permitted Use on the Permitted Parcel, up to – but not exceeding – the Permitted Capacity.

**Key Conditions:** Connections may not be made until: (1) the Permitted Parcel has been duly platted as required by City of Houston subdivision regulations; (2) plans and specifications for all buildings and other improvements have been submitted to, and have received written approval from, the District’s engineer, (3) the connection points have been designated by the District’s engineer, and any water and sewer facility extensions that are necessary to reach those points have been completed, inspected, accepted and placed in service by the District; all tap and permit fees and deposits have been paid, for the entire Permitted Parcel and the entire Permitted Use; service agreement(s) covering the entire Permitted Parcel have been duly signed as required by the District’s regulations; all buildings for the Permitted Use

have been substantially completed (and inspected by the District), however, if only some of the building(s) are completed, the remainder may not be served under this permit unless they are completed and duly inspected before the end of the Permit Period; all plumbing inspections of the buildings to be served have been passed; actual capacity needed to serve the entire Permitted Use, as constructed, must be less than or equal to the Permitted Capacity, in the opinion of the District's engineer; and all other applicable regulations have been complied with.

**Other Conditions:**

(1) This permit is only a conditional permission to proceed; (2) all work and connections must comply with the approved plans and all applicable laws, rules and regulations, including the District's rate order and other regulations; (3) this permit can be revoked or suspended; it does not confer any property right or vested right of any kind.

Issued by: \_\_\_\_\_, for the District. Date: \_\_\_\_\_