

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
August 28, 2019**

STATE OF TEXAS §
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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 **6:30 PM** at the Champions MPC Clubhouse, 13719 Champions Centre Drive, Houston, Texas 77069, on **August 28, 2019**, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Robert Price	President
Ernest F. Gigliotti	Vice President
Rob Harris	Secretary
Vaughan G. Miller	Treasurer
Ronald Young	Assistant Secretary and Director

and all were present, except Mr. Gigliotti, thus constituting a quorum. Also present were: Howard Wilhite and Rich Rankin of Hays Utility South Corporation; Deputy Jose Rivera of Harris County Precinct 4 Constable's Office; Patty Rodriguez of Bob Leared Interests; and James Dougherty, attorney for the District. Ms. Claudia Redden of Claudia Redden & Associates arrived shortly after the meeting began. After the President called the meeting to order, the following occurred:

1. Constables, Etc. Deputy Rivera presented a written Constables report. He mentioned some incidents at the new Holiday Inn on SH 249, including motor vehicle break-ins. He said the rest of the District was quiet. There was a brief discussion.

2. Regular Subjects, Minutes and Consent Agenda

a. Bookkeeping and financial matters. Ms. Redden presented the bookkeeper's report with checks she had prepared to pay bills. There was a question about low revenues from sales taxes in October, November and December of 2018. She explained that those revenues had been accrued in the prior period (ending September 30), so when the cash appeared, it was booked in the prior period. After discussion, it was duly moved and seconded to accept the report and authorize the prepared checks to be paid. All voted in favor. The prepared checks were approved and signed during the meeting.

The attorney reported that an insurance renewal quote had been received from the A J Gallagher firm and that he had discussed it with Ms. Kim Courte, who had advised that none of the policies was changing, and the premiums were going down slightly. There was a discussion about optional coverages. Director Miller moved to authorize renewal and payment of the quoted premiums, plus, if needed, the cost of the peace office bonds, and to request a quote and more information on cyber insurance. Director Young seconded, and all voted in favor.

b. Tax Assessor/Collector. Ms. Rodriguez presented the monthly tax report and a list of checks to be paid. She noted that the certified appraisal rolls had just come in, and they showed an estimated 4% increase in aggregate taxable value (somewhat less on the average homestead). There was a discussion about the anticipated impact of SB 2 and the uncertainties it introduced. The Board did not propose a tax rate or call the necessary hearing, it being noted that both would be done in September. After discussion, it was duly moved and seconded to accept the report and authorize the prepared checks to be paid, and all voted in favor. The prepared checks were approved and signed during the meeting.

c. Legal matters. No action taken.

d. Utility operations. Mr. Rankin presented and reviewed the operations report. There was a question about the two pumpage figures shown on the report. Mr. Wilhite reported that a bill-handling company had requested a waiver of late fees but gave no reason for not paying. There was no action to

approve a waiver. Mr. Wilhite reported that a customer had complained about two months of extremely high usage, but that it had occurred after the operator warned the customer of a possible leak. The Board authorized the operator to offer that customer a six-month payoff plan.

The President 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 utility bills. The operator 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. The operator recommended service terminations for the accounts on the list in accordance with the District's standard operating procedures. It was then duly moved and seconded that: (i) the amount shown for each account on the list of proposed service terminations be found to be correct, (ii) although notice of that night's hearing was given to each person on the list, no one appeared, and (iii) water service be authorized to be terminated to the accounts listed, in accordance with the District's standard operating procedures, except health care facilities. The motion carried by unanimous vote.

e. *Minutes.* Mr. Dougherty presented draft minutes for the meetings held July 24, 2019. It was duly moved and seconded to approve them as presented. The motion passed unanimously.

3. Water and Sewer Matters. There was no action taken, except as noted under other items.

4. Engineering & Projects. Mr. Tim Hardin of Langford Engineering arrived and introduced himself. There was a discussion about separating some engineering functions, to maintain checks and balances. Mr. Hardin said his firm could probably provide services as the District might request, but, he said, it was unusual for smaller utilities to separate its engineering work that way, although larger utilities did do so. Mr. Price mentioned the possible FM 1960 facility relocations, and there was a discussion. Mr. Hardin said his firm did not represent TxDOT, and at least 80% of its work was done for water districts, with the remainder being done for developers. He said they worked for Pine Forest MUD, which had started about five years previously. He said his firm was running a couple of GIS systems for water districts and could handle and even improve the District's GIS system, but the firm did not specialize in GIS. He cautioned against relying on old plans, which could be inaccurate. He said their firm could host a GIS system on its own server. He said they had their own general engineering inspectors, but contracts-out for coating inspectors and welding inspectors. He said they sometimes brought video projection equipment to meetings, and they could use equipment that might already be available at meeting places.

After Mr. Hardin departed, Mr. Robert Atkinson arrived. He gave a brief introduction of himself and his firm, EHRA Engineering. He said he was "practice area leader" for mature districts. He said EHRA represents about 52 districts, of which eight were new-development districts. He said the firm had 35-40 engineers, surveyors, GIS staff, etc. He said he was in a good position to provide the service the District wants. He said he personally worked for 12-13 districts and does work "hands on." Mr. Price explained some of the challenges the District had faced with proposed rehab work, big, expensive project proposals that would cause peaks in expenditures. Mr. Atkinson said EHRA's business model did not depend upon things like that, but instead they usually tried to program projects big enough to achieve economies of scale—and economies tend to diminish above about \$400,000 per project. He described a zone-color scheme for planning rehab work on sewer lines (green, orange, red, etc.), and he discussed the kinds of line defects that usually need immediate attention (like dropped taps, roots and cracks). Mr. Price described the FM 1960 project and the status of the TxDOT plans. Mr. Atkinson said EHRA did some work for TxDOT, usually as a subcontractor, but working for a water district in connection with a TxDOT project would put "no pressure" on the firm. He described a project on SH 6 where TxDOT reimbursed the cost of a water district's line that was in SH 6 right of way. He said his firm had personnel and servers to handle GIS systems. He said he would personally attend District meetings and handle its engineering—and it would be OK to call him directly on his cell phone. He noted that the

District apparently had about \$1.4 million in reserve, plus about \$1 million per year in available cash flow, which should be enough to carry the District into the future.

Later in the meeting, the Board discussed the qualifications of the engineers who had been interviewed at the two meetings (August 26 and August 28). There was an extended discussion, but no decision reached. The President said he would find out when Mr. Gigliotti would be available for a special meeting to resume the discussion.

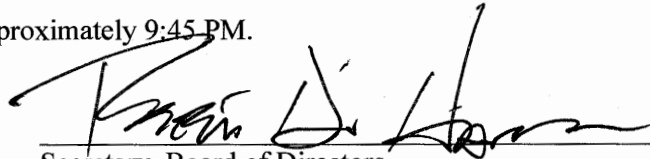
5. Energy, Streetlights, Etc. There was no action taken.

6. FM 1960 Project. Mr. Price gave an update on the project, including a meeting with the U-Haul representatives about replacement service, if TxDOT forces relocation. He also mentioned continued efforts to get the "eligibility ratio" for reimbursements from TxDOT.

7. Communications, etc. Mr. Allen DeJonge, with a firm named 1190 Designs (www.1190designs.com), arrived and introduced himself. He said they do websites for about 200 water districts, working with EDP, HUNC and others, also several law firms. He said they charge \$50 per month for hosting and maintenance, plus costs for updates. He said there was also a \$150/month flat rate that included all regular updates (but not adding pages). He said it usually took two to four hours to get something posted. He said handling just basic things like agendas and minutes and routine reports took about a half-hour per month. There was an inquiry about using A-V equipment, etc. at the Cy-Champ facility on Cutten Road.

(Adjournment) The meeting adjourned at approximately 9:45 PM.

(SEAL)


Secretary, Board of Directors