

**MINUTES OF REGULAR MEETING
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 191
January 27, 2021**

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 **6:30 PM** on **January 27, 2021**, at the Cy-Champ PUD facility at **13455 Cutten Road, Suite 1A, Houston, Texas 77069** (including a telephone conference call audible at that location, as authorized by the Governor of the Texas under an emergency declaration). 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 Mr. Price, Mr. Harris and Mr. Miller were present at the meeting place, and Mr. Young and Mr. Gigliotti were present via conference call, thus constituting a quorum. Also present on the conference call were Mr. Rich Rankin and Mr. Howard Wilhite of H2O Innovation Maintenance and Operation LLC f/k/a Hays Utility South Corporation; Mr. Timothy Hardin of Langford Engineering, Inc.; Ms. Claudia Redden of Claudia Redden & Associates; Ms. Patty Rodriguez of Bob Leared Interests; Mr. James Dougherty, attorney for the District; and Mr. Mark Eyring of Mark Eyring & Associates. Also present at the meeting place was Deputy Aubrey Knight of the Precinct 4 Harris County Constable's office. The President called the meeting to order, and the following business was transacted:

1. Constable/Patrol/County Matters. Deputy Knight presented the constable report for December. He mentioned burglaries of motor vehicles. The President described an event he witnessed, and Deputy Knight provided details, which including one arrest.

2. Regular Subjects, Minutes and Consent Agenda

a. Bookkeeping and financial matters. The Board received the bookkeeper's report and investment report. Ms. Redden explained the revised form of the investment report, which included a new statement regarding review of the report and the investment policy. Director Price moved to receive and approve the quarterly investment report submitted by the Investment Officer and to order that a written instrument be adopted and shown on the report stating that the Board has: (i) received and approved the report and (ii) reviewed the District's investment policy and investment strategies and decided to make no changes to them. Director Miller seconded, and all voted in favor, thus adopting the motion.

Ms. Redden explained an update to the budget reports made to conform to the amended budget adopted in December, also a proposed new line item to hold trust funds received under the Second Amendment to the agreement with HCESD#29 for "lot or acreage fees." Mr. Rankin said he would verify the amount of the lot or acreage fees that were received and report them to Ms. Redden. It was then moved to accept the report and to approve and authorize the checks as presented. All voted in favor.

Mr. Eyring presented the proposed annual financial report (audit) for FY2020. He updated the reserve levels shown on page 9, and there was a general discussion of repairs, replacements, etc. After discussion, Director Harris moved to: (i) approve the annual financial report (audit) as presented, subject with changes discussed, (ii) authorize the three reserves at the levels shown on revised page 9 (contractual, RR&I and operating reserves); and (iii) approve and authorize the representation letter to the auditor, subject to review. Director Miller seconded, and all voted in favor.

b. Tax Assessor-Collector. The Board received the Tax Assessor-Collector's report from Ms. Rodriguez with a delinquent list, the delinquent attorney's report and checks that had been prepared to pay tax-account bills. She updated the Board on large delinquent accounts for a hotel property. She said the taxpayer had begun paying-off the small account and was making installments on the main account. The President mentioned monthly sales tax payments, and there was a question about the granite store, which had closed. Mr. Dougherty presented four annual resolutions for ad valorem taxes (confirming assessor-collector, confirming-approving exemptions, confirming delinquent attorney and imposing additional penalty for collection costs). Director Harris moved to adopt each of them. The motion was seconded, and all voted in favor. It was then moved to accept the report and to approve and authorize the checks as presented. All voted in favor.

c. Legal matters. There was no action taken.

d. Utility operations. Mr. Rankin presented and reviewed the operator report. He reported on delinquent accounts that had been paid, and he gave an update on manhole inspections. There was a question about an expenditure for cleaning the bottom of the wet well at the WWTP. Mr. Rankin said such cleanings were done "as needed" based on the operator's observations. The President asked about a possible correlation of the cleaning to the industrial waste surcharges. Mr. Wilhite said that, in this case, the expenditure was higher than normal because it included both a surface cleaning (grease, etc.) and a bottom cleaning. The President asked the operator to provide additional information. It was then moved and seconded to accept the operator's report. All voted in favor.

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. The motion carried by unanimous vote.

e. Minutes. It was moved and seconded to approve minutes for the December 14, 2020 meeting as presented. All voted in favor.

3. Water and Sewer Matters. There was no action taken, except as described below for engineering and projects.

4. Engineering & Projects. Mr. Hardin presented the engineer's report. He updated the Board on changes to the proposed commercial development at the intersection of SH 249 and Schroeder Road. He suggested the Board approve an amended permit with reduced demand levels as shown in the application submitted by Cyclone Global Trading Inc., subject to payment of an additional application fee of \$750. There was a motion to that effect. The motion was seconded, and all voted in favor.

Mr. Hardin mentioned that an inspection of the ground storage tank indicated that its condition was generally good. Mr. Gigliotti asked about the baseline condition of the tank and corrosion. Mr. Hardin explained that there was some corrosion in limited areas, and the coating was starting to chalk and fade, but the main bolted panels were not corroded (the galvanized coating was still present). There was a question about gaskets for the access panel. The President asked that the full report be presented at the next meeting. Mr. Gigliotti recommended that the District keep baseline data on the tank's condition, so that changes could be spotted in the future.

It was moved and seconded to accept the engineering report. All voted in favor.

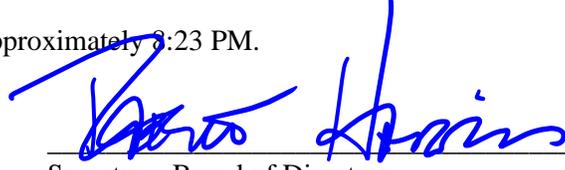
5. Energy, Streetlights, Etc. There was no action taken.

6. FM 1960 Project. Mr. Price updated the Board on inquiries from TxDOT about the pending SP2125

application for relocation assistance, also TxDOT comments on the utility agreements (including a request to change them to use a revised form ROW-U-35). There was a discussion about what should be done if TxDOT does not approve the SP2125 application (or agreements) and tries to start construction. There was discussion about adverse impacts on businesses along FM 1960. Mr. Young and Mr. Harris suggested that TxDOT could be asked to advance funds to start on the appraisals (a long lead-time work item), to keep the project moving.

7. Records, Communications, Meetings, etc. There was no action taken.

(Adjournment) The meeting adjourned at approximately 8:23 PM.



Secretary, Board of Directors

(SEAL)