

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 14, 2016

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 136

The Board of Directors (the "*Board*") of Harris County Municipal Utility District No. 136 (the "*District*") met in regular session, open to the public, at 4045 Deerfield Village Drive, Houston, Texas at 6:00 p.m. on April 14, 2016; whereupon the roll was called of the members of the Board, to wit:

Neil Polansky, President
Barry Greer, Vice President
Harry L. Price, Second Vice President
Jay Singleton, Secretary
Brent Phelps, Assistant Secretary

Persons Attending. All members of the Board were present, except for Director Phelps. Also attending all or parts of the meeting were Ms. Fran Mutaska of F. Matuska, Inc., bookkeeper for the District; Mr. Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; Ms. Patty Rodriguez of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Bob Wempe of AECOM, Inc., engineers for the District; Ms. Jane Maher and Ms. Emerald Lagow, paralegals of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District; and Ms. Patricia Jones, Ms. Constance Warrick, and Ms. Marie Nugent, residents of the District.

Call to Order. The President called the meeting to order and, in accordance with notice posted pursuant to law, copies of Certificates of Posting of which are attached hereto as Exhibit "A," the following business was transacted:

1. **Minutes.** Proposed minutes of the meeting of March 10, 2016, previously distributed to the Board, were considered for review and approval.

Upon motion by Director Price, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of March 10, 2016, as presented.

2. **Public comments.** There were no comments.

3. **Review Bookkeeper's Report, investment report and authorize payment of bills.** The President recognized Ms. Matuska, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "B."

Upon motion by Director Price, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Bookkeeper's Report, and to authorize payment of check nos. 8816 through 8844 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

4. Review Tax Assessor and Collectors Report and authorize payment of bills.

The President recognized Ms. Rodriguez, who presented to and reviewed with the Board the Tax Assessor and Collector's Report, a copy of which is attached hereto as Exhibit "C." Ms. Rodriguez reported that the District has collected 98.2 % of its 2015 taxes.

Upon motion by Director Phelps, seconded by Director Price, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor and Collector's Report, and to authorize payment of check nos. 1088 through 1090 from the Tax Account in the amounts, to the persons, and for the purposes listed in such report.

5. Delinquent Tax Attorney Report and take any necessary action regarding delinquent accounts including termination of service. Ms. Rodriguez reported that Hal R. Gordon, the District's delinquent tax attorney, determined not to terminate service to the residence of the Shoenfelt account. In response to Director Polansky's question regarding actions to receive payment, Ms. Rodriguez stated that Harris County has filed a law suit to foreclose on the property and, at the conclusion of the law suit the District would receive their money.

6. Security service with Deerfield Village Community Association and take appropriate action. The President noted that no action will be taken on the security proposal at this meeting.

7. Review Engineer's Report, Jackrabbit Road Public Utility District matters, Asset Management Plan, and take appropriate action on engineer's recommendations. The President recognized Mr. Wempe, who presented to and reviewed with the Board the hydropneumatic tank recoating project, a copy of which is attached hereto as Exhibit "D." Mr. Wempe reviewed the bid from "A&H" Services in the amount of \$15,500 and the proposal from Preventative Services for inspecting the tanks. In response to a question from the President, Mr. Wempe stated that he has obtained form 1295 from "A&H" and Preventive Services for the attorney to file with the Texas Ethics Commission.

Mr. Wempe stated that each tank would roughly take 30 days to complete the three coat recoating process. Mr. Wempe estimated that the whole process for both tanks would take 45-60 days to complete.

In response to a question from the President, Mr. Wempe noted that mobilization for recoating the tanks would occur within 30 days so that the project can be completed prior to the high water demand summer months.

Upon motion by Director Price, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted unanimously to award the recoating project to "A&H" in the amount of \$15,500 and to engage Preventative Services to inspect the recoating project.

8. Review hydropneumatic tank recoating proposals and award project. This was addressed under the previous item.

9. Review Lift Station fencing project. Mr. Arrant stated that work on obtaining proposals for the fencing at lift station two is proceeding, and that there were a few fencing options for lift station one. Mr. Arrant stated that an eight foot wrought iron fence around the pad site of lift station one would cost \$5,843.75.

Mr. Arrant stated that another option is an eight foot wood fence replacement. Discussion ensued regarding whether the District would need permission from the HOA prior to installation, since the deed restrictions for the subdivision limit the height of a fence to six feet.

Due to concerns from the Board regarding the security versus the aesthetic of different fencing material, Mr. Arrant agreed to confirm the prices of the fence materials that are included in the quote, and to determine whether the lift station site includes the entire area of the proposed fence.

10. **Discuss Lift Station repairs and take appropriate action.** Mr. Arrant informed the Board that there are controllers at both lift stations that have been replaced

11. **Review Operations Report, authorize repairs, and authorize termination of services to delinquent accounts.** Mr. Arrant reviewed with the Board the Operations Report, a copy of which is attached hereto as Exhibit "E."

Mr. Arrant reviewed the Cut-Off List, a copy of which is included in the Operations Report.

Discussion ensued regarding water pressure and quality. Mr. Arrant stated that he is not aware of any issues with the water quality.

Upon motion by Director Price, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Operations Report and to terminate service to those accounts listed on the Cut Off List.

12. **Discuss updating of District website and take appropriate action.**

Director Price suggested closing the website due to minimal activity. Director Price suggested hiring a service to determine the demographics of who visits the website. The President noted that the website has outdated information and will require significant maintenance to meet state requirements.

Director Polansky noted that Empire Design has submitted a proposal to update the website, and added that he would like other proposals. Ms. Lagow stated she would obtain other proposals. The Board deferred action to the next meeting.

13. **Review Drought Contingency Plan and take appropriate action.** No action was taken on this item.

14. **Discuss incentives for conversion to low flow toilets and take appropriate action.** The Board reviewed information about incentives, a copy of which is attached as Exhibit "F". There was no further discussion on this item, but the Board agreed it needs to be kept on agenda.

15. **Discuss trash collection operations and take appropriate action and discuss hazardous waste collection program and take appropriate action.** Director Polansky noted that the Waste Management check for February was paid and that the contract ends at the end of April. Director Price noted that pick-up has been inconsistent and that he called Waste Management, who stated that their last pickup for their area was April 13th. The Board agreed that if that statement is accurate, that Waste Management is not living up to the

terms of their contract. Director Singleton stated he would further follow up with Waste Management.

16. **Review Rate Order and take appropriate action.** No action was taken on this item.

17. **Report on WHCRWA monthly meeting.** No action was taken on this item.

18. **Article for DVCA Newsletter.** No action was taken on this item.

19. **Review agenda items for next meeting.** The President asked that all items, except adoption of the budget, be carried over to the next meeting.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

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The above and foregoing minutes were passed and approved by the Board of Directors on May 12, 2016.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)