

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 9, 2017

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 March 9, 2017; 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 Director Price. Also attending all or parts of the meeting were Ms. Rose Montelbano of F. Matuska, Inc., bookkeeper for the District; Mr. Bob Wempe of AECOM, Inc., engineer 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. Nick Rivas of Pine Forest Country Club; and Ms. Jane Maher, paralegal of Norton Rose Fulbright US LLP ("NRF"), attorneys for 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 February 9, 2017, previously distributed to the Board, were considered for review and approval. Upon motion by Director Singleton, seconded by Director Phelps, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of February 9, 2017, as presented.

Proposed versions of the minutes of the meeting of March 1, 2017, previously distributed to the Board, were considered for review and approval. Director Phelps made a motion to approve the version of the March 1, 2017 minutes he distributed but the motion failed due to the lack of a second. Upon motion by Director Greer, seconded by Director Singleton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the version of the March 1, 2017, minutes distributed by Director Singleton, as presented.

2. **Public comments.** The Board welcomed Mr. Rivas to the meeting.

3. **Review Bookkeeper's Report, investment report and authorize payment of bills.** The President recognized Ms. Montelbano, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "B." Ms. Montelbano presented check numbers 9113 through 9135 for the Board's approval.

Upon motion by Director Phelps, 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. 9113 through 9135 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 the District has collected 97.3% of its 2016 taxes. Ms. Rodriguez presented three checks for the Board's approval.

Upon motion by Director Greer, seconded by Director Phelps, 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 checks 1125 through 1127 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.** There was no report this month.

6. **Adopt budget for fiscal year ending March 31, 2017.** The President recognized Ms. Montelbano, who presented to and reviewed with the Board the budget for the fiscal year ending March 31, 2017, a copy of which is attached to the Bookkeeper's Report. Ms. Montelbano stated that the line item for the HPT recoating has been revised to \$0. She also stated that the line items for the GST recoating and playground equipment have been updated.

The Board discussed the capital improvements line item. The Board instructed Ms. Montelbano to zero out the capital improvements line item, and revise the line item as needed.

Upon motion by Director Singleton, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the budget for the fiscal year ending March 31, 2017 as revised.

7. **Review Engineer's Report, Jackrabbit Road Public Utility District ("Jackrabbit") 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 Engineer's Report, a copy of which is attached hereto as Exhibit "D." Mr. Wempe stated that for the repainting of the ground storage tanks, the Notice to Proceed will be issued on Monday, March 13, 2017 and that the contractor is scheduled to move in next week. He also stated that the contracts for repainting of the ground storage tanks are ready to be executed by the Board. The Board requested that MOC notify residents of the repainting.

Mr. Wempe presented to and reviewed with the Board the proposal from Preventive Services in the amount of \$19,950 for inspection services, a copy of which is attached hereto as Exhibit "E." Mr. Wempe stated that attached to the proposal is the authorization for additional funding for AECOM's budget to include Ground Storage Tank No. 1 in the contract in the amount of \$11,000.

Upon motion by Director Greer, seconded by Director Phelps, after full discussion and the question being put to the Board, the Board voted unanimously to approve the proposal from

Preventive Services in the amount of \$19,950 and to approve the additional funding for AECOM's budget to include Ground Storage Tank No. 1 in the amount of \$11,000.

8. **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 "F." Mr. Arrant stated that there are a total of 1,078 connections in the District, seven of which are vacant. He stated that MOC took four bacteriological samples and all results came back negative.

Mr. Arrant stated that the transfer switch at the water plant has been installed and will be exercised weekly.

Mr. Arrant discussed Chromium levels and stated that the District is in compliance with the standard.

Mr. Arrant reported that the contractor for the repainting of the ground storage tanks will need to keep the materials in front of the District's portable generator. He stated that MOC will be moving the portable generator to another location.

Upon motion by Director Phelps, 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.

9. **Review Sanitary Sewer Contract between HCMUD No. 136 and Pine Forest Country Club and take appropriate action.** The President reviewed the letter to Pine Forest Country Club discussing extending the contract to provide both parties time to review and discuss the proposed amendments, a copy of which is attached hereto as Exhibit "G." Mr. Rivas stated that Pine Forest has received the letter but needs a copy of the contract. Ms. Maher provided Mr. Rivas with a copy of the contract. Discussion ensued.

10. **Discuss and Approve District's Water Smart Application.** The President recognized Mr. Arrant, who stated that the District's Water Smart Application is ready for approval. Upon motion by Director Singleton, seconded by Director Phelps, after full discussion and the question being put to the Board, the Board voted unanimously to approve the District's Water Smart Application.

11. **DVCA playground proposal and take any necessary action.** The President stated that NRF provided the amount of legal fees and that he has shared that with the Deerfield Village Community Association.

The President left the meeting and Director Greer lead the remainder of the meeting.

12. **Discuss District website and take appropriate action.** No action was taken.

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

14. **Discuss trash and recycling collection operations and take appropriate action.** The Board discussed the possibility of rebidding for trash collection operations.

15. **Review Rate Order and take appropriate action.** The Board decided to table this item until the next meeting.

16. **Report on WHCRWA monthly meeting.** There was no report.

17. **Review Article for DVCA Newsletter.** There was no report.

18. **Review agenda items for next meeting (April 13, 2017) and such other matters as may properly come before the board.** No action was taken.

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 April 13, 2017.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)