

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 13, 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 April 13, 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. 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. Mitch Hutter and Mr. Steve Marino of Harris County Constable's Department Precinct Five; 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 March 9, 2017, previously distributed to the Board, were considered for review and approval. Upon motion by Director Price, seconded by Director Singleton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of March 9, 2017, as presented.

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

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." Director Price stated he will post the energy consumption chart on the website.

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. 9136 through 9160 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 98.7% of its 2016 taxes.

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 Tax Assessor and Collector's Report, and to authorize payment of checks 1128 through 1131 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. 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 stated that the contractor for the repainting of the ground storage tanks will be on-site next week. He stated that the contractor will be starting with the larger tank.

Mr. Arrant reported that there was a blocked bypass along Pine Forest Drive that feeds into Jackrabbit. Due to the blocked bypass, Jackrabbit left the lift station off overnight which caused waste to be pumped into the ditch. He stated that MOC has cleaned the ditch and sent a water quality noncompliance notification to the Texas Commission on Environmental Quality ("TCEQ").

Mr. Arrant reported that the soft start on the well went out and that MOC is currently filing an insurance claim.

7. 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 "D." 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 reviewed with the Board the annual Red Flag Policy to prevent identity theft, a copy of which is attached hereto as Exhibit "E." He stated that MOC has no reports of Red Flag incidents, and that no changes to the policy are recommended at this time.

Mr. Arrant stated that MOC received a request from a District resident to replace two pickets of her fence by the water plant, and that MOC has replaced the pickets. He also stated that the resident requested that the District cover her pool while the tanks are being repainted. The Board denied the request.

Mr. Arrant stated that MOC has completed the District's Homeland Security Contact Update form with the TCEQ and provided a copy to Ms. Maher.

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.

8. **Review Sanitary Sewer Contract between HCMUD No. 136 and Pine Forest Country Club and take appropriate action.** Ms. Maher presented a copy of the executed contract extension between the District and Pine Forest Country Club, a copy of which is attached hereto as Exhibit "F." The President stated that if Pine Forest Country Club does not initiate a meeting before May 19, 2017 the District will have to consider termination of the contract.

9. **Consider interlocal agreement for law enforcement services and take appropriate action.** Director Phelps joined the meeting. The President welcomed Mr. Hutter, who discussed the security services that the constables of Harris County Precinct Five can provide to the District. A pamphlet describing this information is attached hereto as Exhibit "G." The President stated that the Deerfield Village Community Association ("DVCA") currently handles the security within the District. The President suggested that Mr. Hutter provide a proposal to the Board to give to the DVCA for their review.

10. **DVCA playground proposal and take any necessary action.** The President stated that the DVCA should be starting the project within the next couple of weeks.

11. **Discuss District website and take appropriate action.** Director Greer stated he will post the District's electricity consumption on the District's website.

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

13. **Discuss trash and recycling collection operations and take appropriate action.** No action was taken.

14. **Review Rate Order and take appropriate action.** The Board tabled this item until the next meeting.

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

16. **Review Article for DVCA Newsletter.** Director Singleton stated that the repainting of the ground storage tanks will be included in the newsletter.

17. **Review agenda items for next meeting (May 11, 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 May 11, 2017.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)