

MINUTES OF MEETING OF BOARD OF DIRECTORS  
June 8, 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 June 8, 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 Greer. 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. Clint Lacewell, Ms. Beth Tucker, Mr. Jim Tucker, Mr. Jack Banowsky, and Mr. John Gross, residents of the District; Ms. Lynetta Morell and Mr. Eric Tourelles, members of the Deerfield Village Community Association; 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 May 17, 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 May 17, 2017, as presented.

2. **Public comments.** The President reported that Harris County Flood Control District was in the District cleaning out a blockage.

3. **Accept Resignation of Director.** This item was deferred.

4. **Appointment of Director.** This item was deferred.

5. **Election of Officers.** This item was deferred.

6. **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."

Upon motion by Director Price, seconded by Director Phelps, 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. 9189 through 9209 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

**7. 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 99.2% of its 2016 taxes.

Upon motion by Director Price, 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 1137 through 1139 from the Tax Account in the amounts, to the persons, and for the purposes listed in such report.

**8. Delinquent Tax Attorney Report and take any necessary action regarding delinquent accounts including termination of service.** There was no report this month.

**9. 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 reported that work on ground storage tank no. 2 ("GST No. 2") was completed on Wednesday and that the filing of the tank is expected to begin on Monday. He stated that attached to the Engineer's Report is the proposed work plan from NG Painting for the work on ground storage tank no. 1 ("GST No. 1"). The Board reviewed the proposed work plan. Director Phelps stated that the time constraint for repairs is not specific enough. Mr. Wempe stated that AECOM can direct NG Painters to respond within 24 hours of known damage.

Mr. Wempe stated that for GST No. 2, plates need to be welded over the old cathodic protection holes, and that the roof handrails need to be repaired. He stated that the cost for the additional work is \$2,600 for the welding and \$1,000 for the hand rail repairs. He also reported that the man way access on GST No. 1 is currently 24 inches and that AECOM recommends changing the man way access to 48 inches to allow better access to the interior of the tank. He stated that the cost for this change is \$16,000.

Upon motion by Director Price, seconded by Director Phelps, after full discussion and the question being put to the Board, the Board voted unanimously to approve the repairs to GST No. 2 in the amount of \$3,600, and to approve the conversion to a 48 inch man way access on GST No. 1 in the amount of \$16,000.

Mr. Wempe addressed resident concerns about the repainting of the tanks. He stated that the residents can contact NG Painting or AECOM regarding any further concerns. He also stated that AECOM will instruct NG Painting to cover resident pools before the repainting of GST No. 1. The President requested that the residents keep all receipts of expenses related to the damage caused by the repainting to present to the Board.

Mr. Wempe stated that the replacement of the splitter box and air drops at the Jackrabbit Road WWTP is expected to be completed within the next few weeks. He also stated that Jackrabbit agreed to send the District any plans and specifications for projects over \$15,000.

Mr. Wempe stated that in regards to the Asset Management Plan, most of the equipment has been cataloged and AECOM is currently coordinating with vendors regarding shelf life and replacement costs.

**10. Review Operations Report, authorize repairs, and authorize termination of services to delinquent accounts.** The President recognized Mr. Arrant, who reviewed with the Board the Operations Report, a copy of which is attached hereto as Exhibit "E." Mr. Arrant stated that there are a total of 1,078 connections in the District, six of which are vacant. He stated that MOC took four bacteriological samples and all results came back negative.

Mr. Arrant reported on various repairs throughout the District.

Upon motion by Director Price, seconded by Director Phelps, 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.

**11. Discuss Water Plant fence condition and develop plan for systematically repairing and/or replacing portions of the fence.** The President stated that the Water Plant fence would not be replaced until both tanks have been repainted. Mr. Wempe stated that he can review the plat to see if the fence lies within the District's property. Mr. Arrant stated that he will review the Texas Commission on Environmental Quality's ("TCEQ") rules on fencing around a water plant.

**12. Review Sanitary Sewer Contract between HCMUD No. 136 and Pine Forest Country Club and take appropriate action.** The President recognized Mr. Rivas, who presented to and reviewed with the Board a request to reevaluate sewer charges for Pine Forest Country Club ("PFCC"), as well as PFCC's revisions to the contract amendments, copies of which are attached hereto as Exhibit "F."

Mr. Rivas stated that PFCC is requesting a review of the current charges by the District. He stated that PFCC has reduced the number of waste water outlets on the property as compared to the original design. Discussion ensued. Mr. Arrant stated that MOC can pull the usage history for PFCC. The Board agreed that the flow needs to be metered before the sewer charges can be reevaluated.

Mr. Rivas reviewed with the Board PFCC's revisions to the contract amendments letter dated March 6, 2017. Discussion ensued. The Board authorized Director Phelps to revise the second amendment to include reference to the District's rate order, and to send the revised amendment to the District's attorney for review. The Board agreed that once the revisions were reviewed, the District's attorney will send out another letter to PFCC reinstating the amendments. The President noted that there will not be any further contract extensions.

**13. DVCA playground proposal and take any necessary action.** The President recognized Mr. Toureilles, who stated that the DVCA playground is complete, except for the installation of a bike rack. He also stated that the contractor has inspected the playground and

can provide the Board a formal letter of inspection if the Board wishes. The President expressed concern about the quality of the repainting of the swing set. Ms. Morell stated that she will address the concern on Monday. The Board approved check no. 9184 for the playground equipment.

14. **Discuss District website and take appropriate action.** Director Price stated that the website is up to date.

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

16. **Discuss renewal of Residential Recycling Collection Agreement (expires 9/30/2017).** The President stated that some residents have complained about the recycling service. He stated that the problems have been communicated to Residential Recycling of Texas, Inc. No action was taken.

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

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

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

20. **Review Article for DVCA Newsletter.** Director Singleton stated that September 30<sup>th</sup> is the shredding and recycling date.

21. **Review agenda items for next meeting (July 13, 2017) and such other matters as may properly come before the board.** The President requested that the election agenda items be moved toward the end of the agenda.

The President recognized Mr. Toureilles, who stated that the DVCA will be hosting the Big Event most likely in August, and invited the Board to participate. The Board requested that the DVCA Big Event be on next month's agenda.

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 July 13, 2017.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)