

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 17, 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 May 17, 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 and Mr. Michael Roland of AECOM, Inc., engineers 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; Ms. Beth Tucker, Mr. Jim Tucker, Ms. Jennifer Grant, Mr. Jack Banowsky, Mr. John Gross, and Ms. Jennifer Furgason, residents of the District; Mr. George Georgantonis of N.G. Painting; Ms. Lynetta Morell, member of the Deerfield Village Community Association; 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 April 13, 2017, 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 April 13, 2017, as presented.

2. **Public comments.** The President welcomed the District residents to the meeting. Numerous residents expressed concern with the repainting of the ground storage tanks and asked when the repainting would be completed. The residents also expressed concern with the disrepair of the fencing at the ground storage tank and proposed that the Board consider replacing and raising the fence, as well as removing the barbed wire.

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 stated that check no. 9184 for the playground equipment is being withheld.

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. 9161 through 9185, excluding 9184, 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 98.8% of its 2016 taxes.

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 Tax Assessor and Collector's Report, and to authorize payment of checks 1132 through 1136 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 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, a field meeting was held on May 10, 2017 to discuss adjustments to the blasting procedure as well as other items unrelated to the blasting procedure, as debris was getting in residents yards and pools. Mr. Roland addressed the composition of the material in response to questions from District residents. Director Phelps proposed that AECOM provide the residents and the Board with the safety data sheet. Numerous residents voiced dissatisfaction with the amount of dust and debris on their property due to the repainting. The Board instructed NG Painting to provide a schedule and plan to remediate the damage to District property as well as all property of residents affected by the repainting. 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 informed the residents that the repainting of the ground storage tanks should be complete by the end of July.

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 reported that Jackrabbit had a failure of one of the screw conveyors and the second one is in poor condition. He stated that Jackrabbit has advertised a project to replace both conveyors and the estimated cost of the project is \$200,000. The President proposed that if Jackrabbit has any project costs over \$15,000, the District request the plans and specifications.

Mr. Wempe stated that Harris County is planning on adding curbs to Clay Road from Deerfield Village Drive to Pine Forest Green Boulevard, and that the work is expected to begin in August.

7. **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, eight 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.

Director Singleton asked Mr. Arrant about removing the debris from the tree trimming for the repainting of the ground storage tanks and Mr. Arrant stated that NG Painting is responsible to remove the debris.

Mr. Arrant stated that MOC can look at different fencing options for the fence around the ground storage tanks.

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. **Approve Consumer Confidence Report.** Mr. Arrant presented to and reviewed with the Board the Consumer Confidence Report ("CCR"), a copy of which is attached hereto as Exhibit "F." Mr. Arrant stated that the CCR will be mailed to District residents by July 1. He also stated that the typo on the West Harris County Regional Water Authority ("WHCRWA") information will be corrected and that the CCR will be given to the District's attorney for final review.

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 CCR subject to attorney review.

9. **Review Sanitary Sewer Contract between HCMUD No. 136 and Pine Forest Country Club and take appropriate action.** The President informed the Board that Pine Forest Country Club requested an additional 30 day extension to the Sanitary Sewer Contract, as Pine Forest Country Club has new board members. The Board reviewed a 30 day contract extension letter, as well as a 60 day contract extension letter, copies of which are attached hereto as Exhibit "G."

Upon motion by Director Greer, seconded by Director Price, after full discussion and the question being put to the Board, the Board voted unanimously to approve a 60 day contract extension with Pine Forest Country Club.

10. **DVCA playground proposal and take any necessary action.** The President recognized Ms. Morell, who suggested that the Board withhold the check to the Deerfield Village Community Association ("DVCA") for the playground equipment. She stated that there are discrepancies between the playground design and the actual construction, and that the DVCA is not paying the contractor until the issues are resolved. The President informed Ms. Morell that the handicap ramp extending from the playground is not connected to the sidewalk and the barriers have not been installed. Ms. Morell stated that she is meeting with the contractor tomorrow to address the issues. Director Greer stated he will attend as well.

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

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

13. **Discuss renewal of Residential Recycling Collection Agreement (expires 9/30/2017).** The Board discussed rebidding for trash and recycling services. No action was taken.

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

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

16. **Report on WHCRWA monthly meeting.** The President reported on the WHCRWA meeting. He stated that the WHCRWA will be having some Director workshops and that a Board member should attend the WHCRWA meeting every couple of months.

17. **Review Article for DVCA Newsletter.** Director Singleton stated that he will include the CCR in the DVCA Newsletter.

18. **Review agenda items for next meeting (June 8, 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 June 8, 2017.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)