

MINUTES OF MEETING OF BOARD OF DIRECTORS
August 10, 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 August 10, 2017; whereupon the roll was called of the members of the Board, to wit:

Neil Polansky, President
Barry Greer, Vice President
Brent Phelps, Assistant Vice President
Jay Singleton, Secretary
Adam Rodriguez, 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. 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; 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 July 13, 2017, previously distributed to the Board, were considered for review and approval. 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 approve the minutes of the meeting of July 13, 2017, as presented.

Proposed minutes of the meeting of August 1, 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 August 1, 2017 as presented.

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

3. **Ratify confirmation and qualification of new Director.** The President recognized Ms. Maher, who confirmed that Mr. Rodriguez has completed his Oath of Office and Statement of Elected Officer and is fully qualified to serve as a director.

Director Phelps stated that he will be the District's investment officer once he has completed the required training. Ms. Montelbano stated that in the interim, she can act as the District's investment officer. 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 authorize Ms. Montelbano to act as the District's investment officer until Director Phelps is qualified.

The Board discussed director positions. 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 appoint Director Phelps as the Assistant Vice President and Director Rodriguez as Assistant Secretary.

4. **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. 9228 is still being withheld.

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 accept the Bookkeeper's Report, and to authorize payment of check nos. 9240 through 9263 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

5. **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 99.4% of its 2016 taxes. Ms. Rodriguez stated that she will add the addresses to the list of the top delinquent taxpayer accounts.

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 approve the Tax Assessor and Collector's Report, and to authorize payment of checks 1144 through 1147 from the Tax Account in the amounts, to the persons, and for the purposes listed in such report.

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

7. **Review Investment Policy and accept related party disclosures.** This item was deferred.

8. **Review Engineer's Report, Jackrabbit Road Public Utility District ("Jackrabbit") matters, Asset Management Plan, and take appropriate action on engineer's recommendations.** The President stated that he the Board received an email from the District's engineer, a copy of which is attached hereto as Exhibit "D." He stated that NG Painting has started the replacement of the beams in the roof of the water tank. He also stated that NG Painting submitted their second pay application of \$120,000 which was approved by the engineer and sent to Ms. Montelbano.

The President presented to the Board a copy of the Deerfield water plant site plat, a copy of which is attached hereto as Exhibit "E." The President stated that he authorized the District's Engineer to survey the perimeter of the water tank fence.

Mr. Arrant stated that MOC will be verifying if the eight-inch water line on Clay Road is above or below Harris County's storm sewer. He informed the Board that Harris County is lowering the storm sewers by two feet.

9. **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 "F." Mr. Arrant stated that there are a total of 1,078 connections in the District, five 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.

Discussion ensued regarding MOC's invoicing for storm sewer cleaning.

The Board requested that Mr. Arrant provide a plan estimate for smoking and/or cleaning and televising the lines at the Pine Forest Country Club system.

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.

10. **Discuss Water Plant fence condition and develop plan for systematically repairing and/or replacing portions of the fence.** There was no discussion.

11. **Discuss DVCA Big Event and take any necessary action.** Director Singleton stated that the DVCA Big Event has been moved to September 16, 2017. The Board discussed items that the District can distribute.

12. **Consider HGSD Interlocal Agreement and take any necessary action.** Ms. Maher presented to and reviewed with the Board the Interlocal Agreement with Harris-Galveston Subsidence District ("HGSD"), a copy of which is attached hereto as Exhibit "G." Ms. Maher presented to the Board a sample water conservation kit from HGSD that is provided to the sponsored students. She informed the Board that the school that the District sponsored last year, Wilson Elementary, is not participating this year. The Board requested that Ms. Maher follow up with the HGSD to see if the District can sponsor a school outside of the District, or to see if Wilson Elementary is interested in participating.

13. **Discuss District website and take appropriate action.** There was no report.

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

15. **Discuss trash and recycling collection operations and take appropriate action.** The President presented a copy of a proposal from Residential Recycling, a copy of which is attached hereto as Exhibit "H." The Board discussed combining the District's trash and recycling to one vendor. The Board requested that Ms. Maher request proposals from at least two other vendors.

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

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

18. **Review Article for DVCA Newsletter.** Director Singleton stated that September 30th is the shredding and recycling date. He also stated that he will mention the DVCA Big Event.

19. **Review agenda items for next meeting (September 14, 2017) and such other matters as may properly come before the board.**

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

*

*

*

The above and foregoing minutes were passed and approved by the Board of Directors on September 14, 2017.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)