

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 12, 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 October 12, 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 except Director Greer. 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; Mr. Bob Wempe of AECOM Engineering, Engineer for the District; Ms. Patty Rodriguez of Bob Leared Interests (“BLI”), tax assessor and collector for the District; Mr. Jeff Knight, resident of 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 September 14, 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 September 14, 2017, as presented.

Proposed minutes of the meeting of September 28, 2017, previously distributed to the Board, were considered for review and approval. Director Phelps requested his position and Director Rodriguez’s position be switched. 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 September 28, 2017 as revised.

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.”

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. 9291 through 9316 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 stated that September 1 started the 2017 tax year, and that the collection percentage will be on next month's report.

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 Tax Assessor and Collector's Report, and to authorize payment of checks 1151 through 1156 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. **Public Hearing on 2017 Tax Rate.** The President opened the hearing on the proposed tax rate. The President proposed a tax rate of \$.1618 per \$100 assessed valuation. Discussion ensued regarding keeping the same tax rate as the previous year. Hearing no further comments, the President closed the hearing.

7. **Adopt Order Setting Tax Rate and Levying Tax for 2017.** The President reviewed the Order Setting Tax Rate and Levying Tax for 2017, a copy of which is attached hereto as Exhibit "D." Upon motion by Director Singleton, seconded by Director Phelps, after full discussion and the question being put to the Board, the Board voted by majority, with one opposition, to adopt the Order Setting Tax Rate and Levying Tax for 2017, thereby levying a tax of \$0.1640 per \$100 assessed valuation (\$0.00 for debt service and \$0.1640 for maintenance and operations).

8. **Approve Amended District Information Form.** Ms. Maher stated that since the tax rate did not change from last year's rate, this item does not need to be addressed.

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 stated that N.G. Painting started filing one of the ground storage tanks today and that a final walkthrough can be scheduled within the next 30 days. The Board decided to hold a special meeting for the final walkthrough on November 4, 2017 at 9:00 a.m.

Mr. Wempe presented to and reviewed with the Board the survey for the fence around the water plant, a copy of which is attached hereto as Exhibit "E." The Board requested that an agenda item for inspecting the fence with residents' whose houses who back up to the water plant be included on the agenda for the special meeting on November 4. The Board requested that Mr. Arrant request quotes for the fence before the meeting on November 4.

Mr. Wempe stated that the District's asset management plan would be provided to the operator by next month for further review.

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 "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 reported on various repairs throughout the District.

Mr. Arrant stated that the District had violations on the discharge monitoring report due to Hurricane Harvey. He stated that MOC has reported the violations to the Texas Commission on Environmental Quality ("TCEQ"). He reported that the TCEQ will not be issuing any violation notices to the District due to Hurricane Harvey.

Mr. Arrant requested authorization to turn one account with an aggregate total of \$131.54 over to Collections Unlimited of Texas for collection.

Mr. Arrant stated that the contractor for the repainting of the ground storage tanks damaged a booster pump at the water plant. He stated that it has been repaired and that an invoice for \$8,300 was sent to the District's engineer.

Upon motion by Director Singleton, seconded by Director Rodriguez, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Operations Report, to turn one account with an aggregate total of \$131.54 over to Collections Unlimited of Texas for collection, 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.** This item was addressed under the Engineer's Report.

12. **Discuss greenbelt exercise stations usage, maintenance, and upkeep and take appropriate action.** The President stated that this item will need to be deferred.

13. **Consider HGSD Interlocal Agreement and take any necessary action.** The President recognized Ms. Maher, who stated that she spoke with a representative from the Harris-Galveston Subsidence District. She stated that the representative informed her that many schools within the District have not responded due to school starting late and due to the overflow of displaced students. It was the consensus of the Board not to pursue an interlocal agreement at this time.

14. **Consider need for insurance proposals (expires January 14, 2018).** The Board instructed Ms. Maher to obtain a proposal from the District's current provider.

15. **Discuss date for tour of District facilities, WHCRWA pumping station and Jackrabbit Public Utility District wastewater treatment plant.** This item was addressed under the Engineer's Report.

16. **Discuss District website and take appropriate action.** Director Rodriguez stated that he will update the website with the District's agendas and minutes.

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

18. **Discuss trash and recycling collection operations and take appropriate action.** Director Singleton presented to and reviewed with the Board a trash and recycling bid analysis, a copy of which is attached hereto as Exhibit "G." Discussion ensued. It was the consensus of the Board to request a contract with Texas Pride with the variable rate and Houston CPI rate. The Board directed Ms. Maher to request a contract from Texas Pride and to send a letter to terminate services with the District's current trash and recycling providers.

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

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

21. **Review Article for DVCA Newsletter.** Director Singleton stated that he will prepare the DVCA Newsletter.

22. **Review agenda items for next meeting (November 9, 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.

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The above and foregoing minutes were passed and approved by the Board of Directors on November 9, 2017.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)