

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 8, 2018

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 March 8, 2018; 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 Phelps and Director Rodriguez. Also attending all or parts of the meeting were Mr. Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; Ms. Rose Montelbano of F. Matuska, Inc., bookkeeper for the District; Ms. Patty Rodriguez of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Bob Wempe of AECOM Engineering, engineer for the District; Mr. Gary Brown of Stop Green House Landfill; 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 February 8, 2018, 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 February 8, 2018, as presented.

2. **Public comments.** The President welcomed Mr. Brown to the meeting. Mr. Brown discussed the expansion of the Greenhouse Road Landfill with the Board. He presented information regarding the next informational meeting date, a letter from the Harris County Attorney, and a sample letter from Addicks Utility District to the Texas Commission on Environmental Quality ("TCEQ") regarding the landfill expansion, copies of which are attached hereto as Exhibit "B."

Mr. Brown stated that the landfill is for type four construction waste and not residential waste. Discussion ensued regarding the impact of the expansion on the District. The Board suggested that Mr. Brown contact the Deerfield Village Community Association ("DVCA") to see if the DCVA would be interested in being party to writing a letter to the TCEQ. The Board stated that they will address the District's interest in being party to writing a letter to the TCEQ next month when the other Directors are in attendance.

3. **Review Bookkeeper's Report, investment report and authorize payment of bills.** The President recognized Ms. Montelbano, who presented to the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "C."

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 accept the Bookkeeper's Report, and to authorize payment of check nos. 9423 through 9443 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

4. **Adopt budget for fiscal year ending March 31, 2019.** Ms. Maher noted that the agenda item has a typo and that the budget is for the fiscal year ending March 31, 2019. The Board reviewed the draft budget for fiscal year ending March 31, 2019, a copy of which is attached hereto as Exhibit "D." Ms. Montelbano stated that she budgeted \$300,000 for the water plant and lift station electrical improvements. 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 adopt the budget for the fiscal year ending March 31, 2019.

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 "E." Ms. Rodriguez stated that the District had collected 97.9% of the 2017 taxes as of February 28, 2018.

Ms. Rodriguez presented to and reviewed with the Board a quarterly delinquent tax roll, a copy of which is attached hereto as Exhibit "F."

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 Tax Assessor and Collector's Report, and to authorize payment of checks 1168 through 1174 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 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 Asset Replacement/Assessment Plan, a copy of which is attached hereto as Exhibit "G." Mr. Wempe stated that he will send the Asset Replacement/Assessment Plan to Directors Phelps and Rodriguez for their review. It was the consensus of the Board to hold a special meeting after the next regularly scheduled meeting to review the plan in depth.

8. **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 "H."

Mr. Arrant stated that there are a total of 1,078 connections in the District, three of which are vacant. He stated that MOC took four bacteriological samples and all results came back negative.

Mr. Arrant stated that the insurance claim for Ms. Hamman has been resolved.

Mr. Arrant stated that there are two uncollectable accounts totaling \$40.52.

Mr. Arrant reviewed MOC's invoice with the Board.

The Board discussed the Jackrabbit Communication Plan and the possible emergency test.

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 accept the Operations Report and to terminate service to those accounts listed on the Cut Off List.

9. Discuss Jackrabbit Road, Wastewater Treatment Plant, Communication Plan, Lift Station operation, and board meeting attendance and take appropriate action. This item was addressed under the previous item.

10. Discuss Water Plant fence condition and develop plan for systematically repairing and/or replacing portions of the fence. Mr. Arrant stated that the contractor set a tentative date to start on March 19th. The President stated that Director Rodriguez has not heard from the contractor to confirm this start date.

11. Discuss Greenhouse Road Landfill Expansion and take appropriate action. This item was addressed under Public Comments.

12. Discuss District website and take appropriate action. The President stated that Director Rodriguez has added folders for 2018, 2019 and 2020 to the website.

13. Discuss trash and recycling collection operations and take appropriate action. Director Singleton stated he will verify with Ms. Montelbano if the District's trash or recycling services expenses have increased.

14. Report on WHCRWA monthly meeting. Director Greer reported on the WHCRWA meeting. He reviewed the WHCRWA bookkeeper's report.

15. Review Article for DVCA Newsletter. The Board stated that Director Singleton will prepare the article.

16. Review agenda items for next meeting (April 12, 2018) 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 April 12, 2018.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)