

MINUTES OF MEETING OF BOARD OF DIRECTORS
August 9, 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 August 9, 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. 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. Jerrell Wolf of Residential Recycling; Mr. Eric Worthington, Mr. Jim Tucker and Ms. Beth Tucker, residents of the District; Mr. Bob Wempe and Mr. Mike Rolan of Pape Dawson Engineers Inc.; and Mr. Dimitri Millas and Ms. Amanda Dykmann, 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 12, 2018, previously distributed to the Board, were considered for review and approval. 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 approve the minutes of the meeting of July 12, 2018.
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 the Bookkeeper’s Report, a copy of which is attached hereto as Exhibit “B.”

Ms. Montelbano stated she received an invoice to renew the District’s website domain. Director Rodriguez stated he will work with Ms. Montelbano to get updated.

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. 9557 through 9585 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper’s Report.

4. **Review Investment Policy.** Mr. Millas presented and requested the Board's approval of a Resolution Reviewing Investment Policy and Making any Desirable Changes Thereto, a copy of which is attached hereto as Exhibit "C." He noted the District's Policy is consistent with state law, and that NRF recommends no changes. 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 approve the Resolution Reviewing Investment Policy and Making and Desirable Changes Thereto.

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 "D." Ms. Rodriguez stated that the District had collected 99.5% of the 2017 taxes as of July 31, 2018.

Upon motion by Director Rodriguez, 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 check no. 1185 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. **Consider Windsong Trail road reconstruction project by Harris County Precinct 3 and take appropriate action.** The President recognized Mr. Worthington who stated to his knowledge the project was currently in the design phase and that he believed the project would be ready to bid early 2019.

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 recognized Mr. Wempe who stated the District's current asset management plan was incomplete. He stated he will bring a report to next month's meeting.

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 "E."

Mr. Arrant stated that the hydro tank's air leak has been repaired and flushed. He reported the TCEQ came out the next day and there were no violations.

Mr. Arrant stated that one uncollectable account will be sent to collections.

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.

10. **Discuss Jackrabbit Road, Wastewater Treatment Plant, Communication Plan, Lift Station operation, and board meeting attendance and take appropriate action.** The President stated he will attend the Jackrabbit Road PUD meeting next week.

11. **Discuss Water Plant fence condition and develop plan for systematically repairing and/or replacing portions of the fence.** Director Rodriguez stated the fence is complete. The President recognized Mr. and Mrs. Tucker who requested if the Board would consider assisting in the repair of their fence on District property line. Discussion ensued. It was the consensus of the Board to assist in the cost of the repairs, after review of final plans and cost estimates.

12. **Discuss Greenhouse Road Landfill Expansion and take appropriate action.** There was no action taken.

13. **Review Drought Contingency Plan.** Director Singleton stated that he submitted the plan to District Consultants for review.

14. **Discuss District website and take appropriate action.** Director Rodriguez stated once he receives the final audit he will post to the website.

15. **Discuss trash and recycling collection operations, including Residential Recycling Collection Agreement and take appropriate action.** The President recognized Mr. Wolff who stated the requested price increase for recycling is due to China not taking recycling anymore from the United States. Discussion ensued. The Board requested Mr. Wolff to present a proposal to the Board for trash and recycling services.

16. **Discuss Texas Pride Agreement and take appropriate action.** This item was deferred.

17. **Report on WHCRWA monthly meeting.** Director Singleton discussed various topics from the meeting.

18. **Review Article for DVCA Newsletter.** The Board agreed that Director Singleton will prepare the article.

19. **Consider Interlocal agreement.** The Board discussed the interlocal agreement with Harris-Galveston Subsidence District. It was the consensus of the Board to discuss further at next month's meeting.

20. **Review and Approve Engineering Service Agreement.** Mr. Millas reviewed with the Board the Professional Services Agreement with Pape-Dawson Engineers, Inc., 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 engage Pape-Dawson as engineer for the District, subject to Board's review of the engineering rates.

21. **Review agenda items for next meeting (September 13, 2018) and such other matters as may properly come before the board.** There was no discussion.

22. **Matter pertaining to the 2018 Directors Election.** The President recognized Mr. Millas, who presented to and reviewed with the Board the Order Calling Directors Election, a copy of which is attached hereto as Exhibit "G." 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 adopt the Order Calling Directors Election and approve a joint election with Harris County.

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 September 13, 2018.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)