

MINUTES OF MEETING OF BOARD OF DIRECTORS
September 13, 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 September 13, 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. 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 and Mr. Mike Rolon 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 August 9, 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 August 9, 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 and Quarterly Investment Report, copies of which are attached hereto as Exhibit "B."

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 Bookkeeper's Report, and to authorize payment of check nos. 9586 through 9614 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 and Delinquent Roll, copies of which are attached hereto as Exhibit "C."

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

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 check nos. 1186 through 1188 from the Tax Account in the amounts, to the persons, and for the purposes listed in such report.

5. Consider Financial Advisor's tax rate recommendations and Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2018. Ms. Rodriguez presented to and reviewed with the Board the 2018 Tax Rate Study prepared by Blich Associates, a copy of which is attached hereto as Exhibit "D." Ms. Rodriguez stated that the District's 2018 taxable value is \$246,478,295. Discussion ensued.

Ms. Dykmann then presented to the Board the Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2018 (the "Order"), a copy of which is attached hereto as Exhibit "E." Ms. Dykmann informed the Board that this order authorizes the tax assessor to publish the proposed tax rate and the date and time of the District's next meeting.

Upon motion by Director Phelps, seconded by Director Singleton, after full discussion and the question being put to the Board, the Board voted unanimously to publish a tax rate of \$0.163 for maintenance and operations.

6. Delinquent Tax Attorney Report and take any necessary action regarding Delinquent Accounts including Termination of Service. There was no action taken.

7. Consider Windsong Trail road reconstruction project by Harris County Precinct 3 and take appropriate action. There was no update.

8. Review and Approve Engineering Service Agreement. Mr. Millas reviewed with the Board the Professional Services Agreement with Pape-Dawson Engineers, Inc., previously distributed to the Board.

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.

9. Review Engineer's Report, Jackrabbit Road Public Utility District ("Jackrabbit") matters, Pine Forest Country Club matters, Asset Management Plan, and take appropriate action. The President recognized Mr. Wempe who presented to and reviewed with the Board a Summary of Comparison of Replacement and Conversion Costs and Repair Action Report, copies which are attached hereto as Exhibit "F." Discussion ensued.

The Board requested Mr. Wempe to contact Jackrabbit Road PUD's engineer, and request additional information on repairs and their plan of action.

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 discussed with the Board MOC's Hurricane Preparedness Plan.

Mr. Arrant stated the lead and copper samples have been submitted and comply with the TCEQ rules.

The Board requested Mr. Arrant to look at a sunken sidewalk at Deerfield Village and Widcombe.

Upon motion by Director Greer, seconded by Director Rodriguez, 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.

11. **Discuss Jackrabbit Road Wastewater Treatment Plant, Communication Plan, Lift Station operation, and board meeting attendance and take appropriate action.** There was no report.

12. **Discuss Water Plant Access Road Fence and take appropriate action.** The Board discussed replacing the section of the Water Plant access road fence adjoining the Tuckers' property with Mr. and Mrs. Tucker, who attended the Board's August meeting. Director Rodriguez stated he received a quote for an estimated \$3,915 to replace the shared fence with a similar fence. Discussion ensued.

Upon motion by Director Greer, seconded by Director Phelps, after full discussion and the question being put to the Board, the Board voted four in favor with Director Singleton opposing, to authorize paying half of the estimated cost to replace the fence.

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

14. **Review Drought Contingency Plan.** There was no report.

15. **Discuss District website, review proposal and take appropriate action.** The Board discussed the proposal from 1190 Designs, previously distributed to the Board. It was the consensus of the Board to not take any action.

16. **Discuss trash and recycling collection operations, including consideration of proposals, and take appropriate action.** The Board discussed trash and recycling proposals. Director Singleton noted the Texas Pride proposal was the lowest bid. The President requested Mr. Millas to contact Mr. Wolff regarding the current contract and discuss whether or not he would be willing to terminate early due to the current recycling issues and price increase.

17. **Discuss Texas Pride Agreement and take appropriate action.** This item was discussed in the previous item.

18. **Report on WHCRWA monthly meeting.** The President reported WHCRWA are increasing prices by 8%.

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

20. **Consider Interlocal agreement.** The Board discussed the interlocal agreement with Harris-Galveston Subsidence District. It was the consensus of the Board to wait to hear back from the Subsidence District whether or not the proposed school was interested in participating.

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.** Ms. Dykmann, presented to and reviewed with the Board the Order Declaring Unopposed Candidates Elected to Office and Certificate of Unopposed Status, copies of which are attached hereto as Exhibit "H." Upon motion by Director Rodriguez, seconded by Director Phelps, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order Declaring Unopposed Candidates Elected to Office and approve Certificate of Unopposed Status.

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 October 11, 2018.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)