

MINUTES OF MEETING OF BOARD OF DIRECTORS
December 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 December 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 except Director Singleton. 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. Art Blummer, resident of the District; 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 November 8, 2018, previously distributed to the Board, were considered for review and approval. 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 unanimously to approve the minutes of the meeting of November 8, 2018, as amended.

2. **Accept Oaths of Office of elected Directors and Certificate of Election.** Directors Rodriguez and Greer executed their Oath of Office and Statement of Officer qualifying them to serve as Director for their new elected terms. Upon motion by President Polansky, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Certificates of Election for Directors Rodriguez and Greer; and nominate Director Rodriguez as Secretary and Director Singleton as Assistant Secretary.

3. **Election of Officers.** This was addressed in the previous item.

4. **Public comments.** The President recognized Mr. Blummer and welcomed him to the meeting.

5. **Discuss trash and recycling operations, including consideration of proposals, and notice of termination and take appropriate action.** The Board discussed the

contract with Texas Pride. Mr. Millas stated he provided comments and Texas Pride responded. Discussion ensued. 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 Texas Pride Agreement, pending final comments and review by Attorney.

6. **Renew District Insurance.** The Board reviewed the Insurance Proposal from Arthur J. Gallagher, a copy of which is attached hereto as Exhibit "B." Discussion ensued.

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 Insurance Proposal from Arthur J. Gallagher for January 14, 2019 through January 14, 2020.

7. **Indemnification of Directors.** Mr. Millas stated that to the extent that the Directors and officer's insurance policy does not cover losses of Directors carrying out the lawful business and duties of the District in good faith, then the District can indemnify the Directors for losses.

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 Indemnification of Directors.

8. **Report on Eminent Domain filing.** Mr. Millas reported that the District is required to file an annual report with the Texas Comptroller of Public Accounts to retain its right to exercise eminent domain. He stated NRF made this filing on behalf of the District.

9. **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 "C."

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 Bookkeeper's Report, and to authorize payment of check nos. 9672 through 9693 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

10. **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 "D."

Ms. Rodriguez stated that the District had collected 12.1% of the 2018 taxes as of November 30, 2018.

The Board requested Ms. Rodriguez bring an updated Delinquent Tax Report from the Delinquent Tax Attorney to next month's meeting.

Upon motion by Director Phelps, seconded by Director Rodriguez, 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. 1198 through 1202 from the Tax Account in the amounts, to the persons, and for the purposes listed in such report.

11. **Delinquent Tax Attorney Report and take any necessary action regarding Delinquent Accounts including Termination of Service.** There was no report.

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

13. **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 stated he spoke to Mr. Wempe who said he was unable to attend today's meeting and discussed the WHCRWA project with Mr. Wempe. He stated he asked Mr. Wempe to get in contact with WHCRWA's engineer to set up a meeting to go over the project.

14. **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 discussed televising with the Board.

Mr. Arrant reported issues at the lift station with pumps tripping. He stated MOC will monitor.

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 accept the Operations Report and to terminate service to those accounts listed on the cut off List.

15. **Discuss and consider Rate Order and take any necessary action.** Mr. Arrant reviewed with the Board a rate recommendation report, a copy of which is attached hereto as Exhibit "F." Discussion ensued. There was no action taken at this time.

16. **Authorize Municipal Operations & Consulting, Inc. to prepare Water Smart Application.** Mr. Arrant discussed the Water Smart Application with the Board. Upon motion by Director Greer, seconded by Director Rodriguez, after full discussion and the question being put to the Board, the Board voted with three in favor and Director Phelps abstaining, to authorize MOC to file Water Smart Application.

17. **Discuss date for tour of District facilities, West Harris County Regional Water Authority pumping station and Jackrabbit Public Utility District wastewater treatment plant.** There was no action taken.

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

19. **Discuss District website.** Director Rodriguez stated he will get information from Texas Pride on recycling to put on the website and update election of officers.

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

21. **Review Article for DVCA Newsletter.** The Board agreed that the President will prepare the article.

22. **Review agenda items for next meeting (January 10, 2019) and such other matters as may properly come before the board.** There was no discussion.

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 January 10, 2019.



President, Board of Directors

ATTEST:



Secretary, Board of Directors

(DISTRICT SEAL)

