MINUTES OF MEETING OF BOARD OF DIRECTORS
June 20, 2019

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 June 20, 2019; 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
Adam Rodriguez, Secretary
Jay Singleton, 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; Ms. Patty Rodriguez of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Bob Wempe of Pape-Dawson Engineers ("PDE"), engineer for the District; Mr. Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; Mr. Joseph Ellis of McCall Gibson Swedlund Barfoot, PLLC, auditor for the District; Mr. Eric Worthington, resident of the District; and Ms. Amanda Mease 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 May 9, 2019, previously distributed to the Board, were considered for review and approval. Discussion ensued. 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 meetings of May 9, 2019, as presented.

2. **Public comments.** There were no public comments.

3. **Discuss trash and recycling operations.** The President reported there were various complaints and Texas Pride responded. The Board discussed their continued displeasure with the after-hours call service for Texas Pride.

4. **Approve audit for fiscal year ended March 31, 2019.** The President recognized Mr. Ellis, who presented to and reviewed with the Board a draft audit for fiscal year ended March 31, 2019, a copy of which is attached hereto as Exhibit "B." Discussion ensued.

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 audit for fiscal year ended March 31, 2019.

5. **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 "C."

Ms. Montelbano presented to the Board a quarterly investment report, a copy of which is attached hereto as Exhibit "C-1."

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 accept the Bookkeeper's Report, and to authorize payment of check nos. 9819 through 9844 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

6. **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 98.7% of the 2018 taxes as of May 31, 2019.

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 check nos. 1224 through 1226 from the Tax Account in the amounts, to the persons, and for the purposes listed in such report.

7. **Consider Windsong Trail road reconstruction project by Harris County Precinct 3 and take appropriate action.** The President recognized Mr. Worthington, who reported the project has been delayed. He said he would follow up. Mr. Wempe reported he received notice from the County that the project was delayed due to drainage issues that need to be addressed before the road reconstruction project can start.

8. **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 the Engineer's Report, a copy of which is attached hereto as Exhibit "E."

Mr. Wempe reported on the status of the Water Plant electrical improvements. He stated design work is progressing to replace the motor control center and place it in a new building. He said adding variable frequency drives ("VFD") to the pumps would add an additional $50,000 to $75,000 in construction costs. He stated that cost also includes the cleaning of items at the utility service entrance utility rack that are not up to current code. He said the VFD's and rack adjustments would be an additional $10,000 in engineering. The Board instructed Mr. Wempe to add the VFD's to the construction bid.

Mr. Wempe reported on the Jackrabbit matters. He stated the engineer for Jackerabbit PUD provided the attached cost estimates for the SCADA system and floodwall, a copy of which is attached to the Engineer's Report. He said the District's shared cost for both would be an

estimated $120,315. He also presented Jackrabbit PUD Wastewater Treatment SCADA system preliminary Engineering Report, a copy of which is attached hereto as Exhibit "F." Discussion ensued. 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 supporting the SCADA system but oppose the floodwall, as presented.

9. **Discuss Storm Sewer Inlet and take any necessary action.** Mr. Arrant presented to and reviewed with the Board a summary of repairs at 4025 Heathersage, a copy of which is attached hereto as Exhibit "G." Discussion ensued. The Board concluded the repair was the responsibility of the District. 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 authorize repair not to exceed $10,000.

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 "H."

Mr. Arrant reported on various maintenance items in the District.

Mr. Arrant reported a customer at 18314 Cransley Drive contacted MOC and asked that MOC review their bill due to high usage. Mr. Arrant stated MOC believes there was a meter mis-read. Discussion ensued.

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 accept the Operations Report, authorize terminations according to the Rate Order, and authorize to charge $1.00 per 79,000 gallons for the customer at 18314 Cransley Drive and adjust account accordingly.

11. **Discuss water fountain at vanbury playground and any necessary action.** Mr. Arrant presented water fountain options for the Board's consideration, a copy of which is attached hereto as Exhibit "I." Discussion ensued. The Board decided to discuss further at the next meeting.

12. **Discuss District website.** Director Rodriguez stated he was working on getting the domain transferred into his name.

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

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

15. **Review agenda items for next meeting (July 11, 2019) and such other matters as may properly come before the board.** The Board requested NRF to give a report on new legislative updates.

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 July 11, 2019.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)