

MINUTES OF MEETING OF BOARD OF DIRECTORS
January 9, 2020

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 January 9, 2020; 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
Eric Worthington, Assistant Secretary

Persons Attending. All members of the Board were present. Also attending all or parts of the meeting were Ms. Rose Montelbano of F. Matuska, Inc., bookkeeper for the District; Mr. Quinn Freer, resident of the District; Ms. Patty Rodriguez of Bob Leared Interests (“BLI”), tax assessor and collector for the District; Mr. Bob Wempe of Pape-Dawson Engineers, engineer for the District; Mr. Keith Arrant of Municipal Operations & Consulting, Inc. (“MOC”), operator for the District; Mr. Eric Tourelles of the Deerfield Village Community Association (“DVCA”); and Ms. Jane Maher of Norton Rose Fulbright US LLP (“NRF”), attorney 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. **Public comments.** There were no public comments.
2. **Minutes.** Proposed minutes of the meeting of December 12, 2019, previously distributed to the Board, were considered for review and approval. 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 meetings of December 12, 2019, as revised.
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.”

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. 9991 through 10020 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 70.7% of the 2019 taxes as of December 31, 2019.

Ms. Rodriguez presented a Delinquent Tax Collections Status Report for January 2020, a copy of which is attached hereto as Exhibit "D."

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 approve the Tax Assessor and Collector's Report, and to authorize payment of check nos. 1243 through 1248 from the Tax Account in the amount, to the person, and for the purposes listed in such report.

5. **Consider Property Tax Exemptions.** Ms. Maher presented to and reviewed with the Board an Order Adopting Tax Exemption from Taxation for Individuals who are Disabled or are 65 Years of Age or Older, a copy of which is attached hereto as Exhibit "E." Discussion ensued.

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 adopt the Order Adopting Tax Exemption from Taxation for Individuals who are Disabled or are 65 Years of Age or Older.

6. **Adopt Resolution Authorizing Additional Penalty on Delinquent Taxes.** Ms. Maher presented to and reviewed with the Board a Resolution Authorizing Additional Penalty on Delinquent Taxes, a copy of which is attached hereto as Exhibit "F." She stated that the revenue collected by levying this penalty is used to pay the delinquent tax attorney for the services provided to the District.

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 adopt the Resolution Authorizing Additional Penalty on Delinquent Taxes and to authorize Hal R. Gordon to enforce collection of delinquent 2019 taxes.

7. **Authorize Hal R. Gordon to enforce collection of delinquent 2019 taxes.** This item was addressed under the previous item.

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 a plat of Wilson Elementary School, a copy of which is attached hereto as Exhibit "G." He stated that the required detention basin is outlined in blue. He reported that the plans have been submitted to Harris County and that Pape-Dawson is waiting for their approval. He noted that once approval is received, Pape-Dawson can begin advertising and that bids would most likely be received in March.

9. **Discuss Jackrabbit Public Utility District matters and take appropriate action.** There was no report.

10. **Discuss District's participation in funding the flood wall proposed by Jackrabbit Road Public Utility District and take appropriate action.** The President stated that the Jackrabbit PUD has not reached out for a special meeting yet. There was no further report.

11. **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 that the manhole at Pine Forest Country Club ("PFCC") was located. He reported that a four inch tap was found in the manhole and that MOC would like to know what the tap serves. Ms. Maher stated that NRF prepared a letter to PFCC addressing the District's right to inspect District facilities. The Board requested that MOC confirm if MOC checks PFCC's grease trap. Discussion ensued. It was the consensus of the Board to confirm with MOC if MOC currently inspects PFCC's grease trap, to allow MOC to discuss access to the manhole with PFCC and if PFCC is unreceptive, to then send the letter prepared by NRF.

Upon motion by Director Phelps, seconded by Director Worthington, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Operations Report, and to authorize terminations according to the Rate Order.

12. **Consideration of MOC contract amendment and take appropriate action.** The President recognized Mr. Arrant, who reviewed with the Board the First Amendment to Professional Services Agreement (the "Amendment"), a copy of which is attached hereto as Exhibit "I." He also presented the revised fee summary to the Amendment, a copy of which is attached hereto as Exhibit "J." 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 Amendment.

Mr. Arrant proposed that the Board revise the District's rate order to reflect the Amendment's prices by increasing the ¾-inch residential tap fee to \$750. Ms. Maher presented a blacklined draft of the District's rate order, a copy of which is attached hereto as Exhibit "K." She noted that the blackline draft includes the proposed price change for the ¾-inch residential tap fee along with proposed revisions for the Sample Service Inspection Certification and a proposed leak adjustment clause. She noted that the language for the Sample Service Inspection Certification will need to be approved as the language was incorporated due to legislation. Discussion ensued. It was the consensus of the Board to further review the rate order.

13. **Discuss and consider Rate Order and take any necessary action.** This item was addressed under the previous item.

14. **Discuss date for tour of District facilities, West Harris County Regional Water Authority pumping station and Jackrabbit Public Utility District wastewater treatment plant.** The Board discussed possible tour dates. Mr. Arrant stated he would send dates to the Board.

15. **Discuss water fountain at Vanbury playground and any necessary action.** The President recognized Ms. Maher, who stated that NRF coordinated with the DVCA's counsel and that she would send the final version of the Shared Recreational Facilities (the "Agreement")

to the Board. Mr. Toureilles stated that he would execute the Agreement on behalf of the DVCA once it is approved by the Board. Mr. Toureilles provided an update on current DVCA projects.

16. **Report on WHCRWA monthly meeting, and related service and construction issues.** Director Worthington stated he attended the WHCRWA meeting.

17. **Discuss trash and recycling operations.** There was no report.

18. **Discuss District website.** Director Rodriguez discussed the updates to the website.

19. **Review Article for DVCA Newsletter.** Director Greer stated that he will prepare the article for the DVCA Newsletter.

20. **Discuss District insurance (expires January 14, 2020).** The President recognized Ms. Maher, who presented the revised insurance proposal from Arthur J. Gallagher Risk Management Services, Inc. ("AJG") for execution, a copy of which is attached hereto as Exhibit "K." She stated that the Board previously approved the proposal subject to the typo on page seven regarding the equipment breakdown deductible being revised. She reported that the typo was corrected.

21. **Review agenda items for next meeting (February 13, 2020) and such other matters as may properly come before the board.** There was no report.

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 February 13, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)