

MINUTES OF MEETING OF BOARD OF DIRECTORS
February 13, 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 February 13, 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, except Director Rodriguez and Director Phelps, thus constituting a quorum. 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. Keith Arrant of Municipal Operations & Consulting, Inc. (“MOC”), operator for the District; Mr. Josh Rambo of McCall Gibson Swedlund Barfoot PLLC (“McCall”), auditor for the District; and Ms. Jane Maher and Mr. Dimitri Millas 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 January 9, 2020, previously distributed to the Board, were considered for review and approval. Upon motion by Director Greer, seconded by Director Worthington, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meetings of January 9, 2020 as presented.
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 Greer, seconded by Director Worthington, 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. 10021 through 10049 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper’s Report.

4. **Adopt budget for fiscal year ending March 31, 2021.** Ms. Montelbano reviewed with the Board a proposed budget for fiscal year ending March 31, 2021, a copy of which is

attached to the Bookkeeper's Report. Discussion ensued. Ms. Montelbano stated she would include \$50,000 in the budget for the SCATA system with Jackrabbit Road Public Utility District ("JRPUD"). It was the consensus of the Board to adopt the budget at the next meeting.

5. **Consider Electricity Purchase Contract extension.** There was no discussion. It was the consensus of the Board to discuss the item at the next meeting.

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 "C."

Ms. Rodriguez stated that the District had collected 96.00% of the 2019 taxes as of January 31, 2020.

Upon motion by Director Worthington, 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. 1249 from the Tax Account in the amount, to the person, and for the purposes listed in such report.

7. **Engage Auditor for fiscal years ending March 31, 2020 and March 31, 2021.** The President recognized Mr. Rambo, who presented to and reviewed with the Board a proposed auditor engagement letter for the fiscal years ending March 31, 2020 and March 31, 2021, a copy of which is attached hereto as Exhibit "D." Mr. Rambo requested that the Board engage the services of McCall to prepare the District's annual audit for fiscal years ending March 31, 2020 and March 31, 2021, at an estimated cost of \$11,000 to \$12,000 per year.

Upon motion by Director Greer, seconded by Director Worthington, after full discussion and the question being put to the Board, the Board voted unanimously to engage the services of McCall to prepare the District's audit for fiscal years ending March 31, 2020 and March 31, 2021, and to authorize the execution of the engagement letter.

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 summarized an email update from the engineer. He stated that Pape-Dawson began advertising for the water plant electrical improvements and that Pape-Dawson should have the bids at the March meeting.

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 Board attended the special meeting with JRPUD on Tuesday, February 11, 2020 to further discuss the District's participation in the funding of the flood wall. He stated that the Board will need to further discuss the flood wall with JRPUD.

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 "E."

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

Mr. Arrant reported that the previous cost estimate to slip line the 18-inch gravity line paralleling Pine Forest Lane was inaccurate, and that the cost estimate is close to \$100,000. Discussion ensued. It was the consensus of the Board that once the water plant electrical improvements are finished to have Pape-Dawson prepare a bid packet to slip line the 18-inch gravity line.

Mr. Arrant reported that MOC currently inspects the grease traps at Pine Forest Country Club ("PFCC"). Discussion ensued regarding the District's right to inspect the four inch tap found in the manhole and to inspect the eight inch pipe. The Board discussed the option of the President and Mr. Arrant meeting with PFCC to discuss their inspection. Mr. Millas noted that section 49.221 of the Texas Water Code gives the District legal authority to inspect PFCC's facilities to investigate the quality of water or the compliance with any rules, regulations, permits or other orders of the District without an easement or PFCC's consent. Discussion ensued regarding the logistics of putting in a flow meter in the manhole north of Clay Road. It was the consensus of the Board to have Pape-Dawson verify who owns the manhole and to then discuss next steps for inspection.

Upon motion by Director Greer, 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. **Discuss and consider Rate Order and take any necessary action.** It was the consensus of the Board to discuss the Rate Order at the next meeting.

13. **Discuss date for tour of District facilities, West Harris County Regional Water Authority pumping station and Jackrabbit Public Utility District wastewater treatment plant.** It was the consensus of the Board to tour the District facilities and JRPUD wastewater treatment plant on February 22, 2020 at 9:00 a.m.

14. **Discuss water fountain at Vanbury playground and any necessary action.** Ms. Maher stated that the revised Shared Recreational Facilities (the "Agreement") was sent to the Deerfield Village Community Association ("DVCA") for their approval. Mr. Arrant stated that he would provide the exhibit for the Agreement.

15. **Report on WHCRWA monthly meeting, and related service and construction issues.** Directors Greer, Worthington and the President attended the WHCRWA meeting. There was no further discussion.

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

17. **Discuss District website.** Mr. Millas discussed the recent legislative changes that require the District to post documents regarding the District's financials. Ms. Maher stated that she would review the District's website to verify if the required documents are posted.

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

19. **Review agenda items for next meeting (March 12, 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 March 12, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)