

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 19, 2020

THE STATE OF TEXAS
COUNTY OF HARRIS
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 136

Due to the Office of the Governor's statewide disaster declaration for COVID-19, and temporary suspension of statutory provisions to allow telephonic or videoconference meetings to avoid congregate settings in physical locations, the Board of Directors (the "*Board*") of Harris County Municipal Utility District No. 136 (the "*District*") met via teleconference in regular session, open to the public, at 6:00 p.m. on March 19, 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, 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. Bob Wempe of Pape-Dawson Engineers, engineer for the District; Mr. Keith Arrant of Municipal Operations & Consulting, Inc. ("MOC"), operator for the District; 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 February 11, 2020, previously distributed to the Board, were considered for review and approval. Upon motion by Director Worthington, 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 February 11, 2020 as presented.

Proposed minutes of the meeting of February 13, 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 February 13, 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 Rodriguez, 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. 10050 through 10076 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. 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 adopt the budget for the fiscal year ending March 31, 2021.

5. **Consider Electricity Purchase Contract extension.** Director Phelps presented a summary of the District's options for extending their electricity contract, a copy of which is attached hereto as Exhibit "C." He stated that there are three years remaining on the District's current contract. Discussion ensued. It was the consensus of the Board to authorize Director Phelps to coordinate with SYR Solutions to receive quotes for a contract extension.

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 96.9% of the 2019 taxes as of February 29, 2020.

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. 1250 through 1252 from the Tax Account in the amount, to the person, and for the purposes listed in such report.

7. **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 bid tabulation for the water plant electrical improvements, a copy of which is attached hereto as Exhibit "E." He stated that the low bidder was Andrew-Jordan Industrial, LLC in the amount of \$593,341.00. He noted that the contract is a 180-day contract and that he can contact the contractor to discuss any potential delivery delays due to COVID-19.

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 award the contract for the water plant electrical improvements to Andrew-Jordan Industrial, LLC, in the amount of \$593,341.00, subject to attorney review.

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

9. **Discuss District's participation in funding the flood wall proposed by Jackrabbit Road Public Utility District ("JRPUD") and take appropriate action.** The President reported that the engineer's report from JRPUD stated that the District opted out of funding the flood wall. The President questioned the Board if that is the position the Board should take. 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 by majority, with Director Greer abstaining, to not fund the proposed flood wall by JRPUD. Ms. Maher stated that she would inform the District's attorney to inform JRPUD's attorney of the Board's decision.

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 reported on various maintenance items in the District.

Mr. Arrant discussed the letter from Harris County Judge, Lina Hidalgo, requesting that districts in Harris County suspend service disconnections and waive new late payment fees through at least May 1, 2020 due to the impacts of COVID-19, a copy of which is attached hereto as Exhibit "G." He informed the Board that MOC's office is operating similar to a hurricane scenario and doesn't foresee any interruptions in water service. He stated that MOC will notify the Board if anything affects the District.

Mr. Arrant presented to and reviewed with the Board a proposal from HB Systems, Inc. to meter and monitor the eight inch gravity flow line, a copy of which is attached hereto as Exhibit "H." It was the consensus of the Board to discuss the proposal at the April meeting.

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 suspend service disconnections and waive new late payment fees through at least May 1, 2020.

11. **Discuss possible impacts of Coronavirus (COVID-19) on the provision of services provided by the District and discuss the possible need for contingency planning.** This was addressed under the previous item.

12. **Discuss and consider Rate Order and take any necessary action.** It was the consensus of the Board to discuss the Rate Order at a later meeting.

13. **Discuss water fountain at Vanbury playground and any necessary action.** The President stated that the Shared Recreational Facilities Agreement was executed by both the Deerfield Village Community Association and the District. He noted that a copy was provided to NRF.

14. **Report on WHCRWA monthly meeting, and related service and construction issues.** Director Worthington reported on the WHCRWA meeting. He stated that he requested the board of WHCRWA be more involved with communication on their website.

15. **Discuss cyber security training.** The president recognized Ms. Maher, who presented to and reviewed with the Board a memo regarding required cyber security training, a copy of which is attached hereto as Exhibit "I." She stated that training must be taken annually with the first training to be completed by June 14, 2020.

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

17. **Discuss District website.** Director Rodriguez stated that he will include a link to Texas Pride regarding their procedures for trash pick-up during COVID-19. He also stated he is looking at the option of text notifications.

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 (April 9, 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 April 9, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)