

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 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") convened in regular session on April 9, 2020 at 6:00 p.m. via teleconference pursuant to Section 551.125, Texas Gov't Code as modified by the temporary suspension of certain provisions thereof pursuant to guidelines issued by the Texas Attorney General and approved by the Governor for use during the COVID-19 statewide disaster. A roll call was taken of the persons present:

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; Mr. Parks Cobb of SYR Solutions, L.P.; and Ms. Jane Maher of Norton Rose Fulbright US LLP ("NRF"), attorney for the District.

Pursuant to Section 551.054, Texas Gov't Code, as modified by the temporary suspension of certain provisions thereof, notice of the meeting was posted on the District's website within the time limits prescribed by law. The agenda packet was posted on the website as items became available. Certificates of such posting are attached hereto as Exhibit "A."

Call to Order. The President called the meeting to order. He noted that the meeting was being held by teleconference in accordance with federal, state and county directives to slow the spread of COVID-19 by avoiding meetings that bring people together. He said the notice of the meeting included a toll-free dial-in number for members of the public to call so they can hear the meeting and address the Board. He noted that the meeting was being recorded and a recording would be available upon public request. The President then set out guidelines for the conduct of the meeting. He asked each speaker to identify themselves before speaking. He then proceeded with the meeting business:

1. **Public comments.** There were no public comments.
2. **Minutes.** Proposed minutes of the meeting of March 19, 2020, 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 March 19, 2020 as presented.

3. **Approve Resolution Regarding Declaration of Authority due to an Emergency.** The President recognized Ms. Maher, who presented to and reviewed with the Board the Resolution Regarding Declaration of Authority due to an Emergency (the "Resolution"), a copy of which is attached hereto as Exhibit "B." She stated that due to the COVID-19 emergency, the Resolution allows the Board different options for executing district checks. She stated that the Resolution provides the options to authorize the execution of checks previously approved by the board, by (1) the president and bookkeeper together, or (2) the bookkeeper alone with the President's approval, or (3) to continue to have three directors execute checks.

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 Resolution.

4. **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."

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 accept the Bookkeeper's Report, and to authorize payment of check nos. 10077 through 10100 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

5. **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 "D."

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

The Board discussed the delinquent process during COVID-19. Mr. Arrant informed the Board that door tags are still being hung, however, the door tags don't include a termination date. He also stated that penalties are currently still accruing and asked how the Board would like to handle the penalties. Discussion ensued. It was the consensus of the Board to waive new penalties while the disaster declaration is declared and to further discuss the handling of penalties once the disaster declaration is lifted.

Mr. Arrant informed the Board that the installation of the water fountain is currently delayed.

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 Operations Report, and to suspend service disconnections and waive new late payment fees through until the governor lifts the disaster order.

6. **Consider Electricity Purchase Contract extension.** The President recognized Mr. Cobb, who presented to and reviewed with the Board the Electricity Purchase Contract extension, a copy of which is attached hereto as Exhibit "E."

Mr. Cobb stated that the contract extension would begin in April 2023 and end in April 2028. He noted that the contract is a 60 month extension at a price of 4.353/kWh. 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 the 60 month electricity contract extension at a price of 4.353/kWh.

Mr. Cobb noted that the address on the contract would be updated to reflect the bookkeeper's address.

7. **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 "F."

Ms. Rodriguez stated that the District had collected 98.0% of the 2019 taxes as of March 31, 2020.

Upon motion by Director Worthington, 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. 1253 through 1255 from the Tax Account in the amount, to the person, and for the purposes listed in such report.

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 stated that the contract for the water plant electrical improvements was received and that once NRF reviews the bonds, the contract can be executed. He stated that once the contract is executed he will discuss the timeline with the contractor.

Mr. Wempe stated that potentially by June, he should have a better idea of the market conditions for the project to slip line the 18 inch gravity line paralleling Pine Forest Lane.

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

10. **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.

11. **Report on WHCRWA monthly meeting, and related service and construction issues.** Director Worthington reported on the WHCRWA. He stated that the meetings are being held via teleconference.

12. **Discuss trash and recycling operations.** The President stated that he asked the District's trash provider if COVID-19 is affecting their operations. He stated that he will forward the response to the Board once a response is received.

13. **Discuss District website.** Director Rodriguez stated that sections for newsletter articles, upcoming meeting documents and meeting recordings have been added to the website. He stated that he is looking at the possibility of text notifications.

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

15. **Review agenda items for next meeting (May 14, 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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he above and foregoing minutes were passed and approved by the Board of Directors on May 14, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)