

MINUTES OF MEETING OF BOARD OF DIRECTORS
July 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 July 9, 2020 at 6:00 p.m. via teleconference and videoconference 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. 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. Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC, auditors for the District; Mr. Bob Wempe of Pape-Dawson Engineers ("Pape-Dawson"), 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.

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 further comments.
2. **Minutes.** Proposed minutes of the meeting of June 11, 2020, previously distributed to the Board, were considered for review and approval. 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 minutes of the meetings of June 11, 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. 10154 through 10179 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 99.2% of the 2019 taxes as of June 30, 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. 1266 through 1270 from the Tax Account in the amount, to the person, and for the purposes listed in such report.

5. **Discuss Senate Bill 2 compliance, proposed contract amendment for compliance services, and take appropriate action.** The President recognized Ms. Rodriguez, who presented to and reviewed with the Board the Addendum to Agreement for Services of Tax Assessor and Collector Concerning Texas Tax Code (the "Addendum"), a copy of which is attached hereto as Exhibit "D." Discussion ensued. It was the consensus of the Board to have Director Rodriguez post the required Senate Bill 2 compliance items on the District's website. The President requested that the discussion of the Senate Bill 2 website requirements be added to the District's yearly calendar. Ms. Maher stated that NRF can review the District's website to make sure that the requirements are met. The President requested that a line item regarding Senate Bill 2 information be added to NRF's budget.

6. **Approve audit for fiscal year ended March 31, 2020.** Mr. Ellis presented to and reviewed with the Board the annual financial audit for the fiscal year ended March 31, 2020 and the management representation letter, copies of which are attached hereto as Exhibit "E." Mr. Ellis explained the auditing standards and requested that all Directors review the language in the Management Discussion and Analysis. Upon motion by Director Rodriguez, seconded by Director Worthington, 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, 2020.

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 Engineer's Report, a copy of which is attached hereto as Exhibit "F." He reviewed the schedule from the contractor for the Water Plant Electrical Improvements. He stated that there should be some field activity starting this month and that the completion date is December 28, 2020, with the substantial completion date being November 27, 2020.

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

9. **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 "G."

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

Mr. Arrant reported that the cost to repaint and rehab 109 fire hydrants is \$5,200. He noted that the water fountain should arrive within the next few weeks.

Mr. Arrant reported on the placement of the meter to monitor the eight-inch gravity flow line at Pine Forest Country Club ("PFCC"). He noted that the meter should be installed within the next week.

Mr. Arrant reported on a sinkhole near Lift Station No. 2. Mr. Arrant stated that MOC digested the manhole and that there is infiltration entering in the manhole causing the sinkhole. He noted that the repair would involve grouting the interior and exterior of the manhole, and that it would involve coordination with CenterPoint, as there is a learning power pole near that manhole. He also noted that MOC televised the line and found a puncture in line about 80 feet from the manhole. He stated that MOC would repair the punctured line first and then repair the manhole. The Board discussed diagnostic work on the sanitary sewer system. Mr. Arrant stated that he will try to have proposals for smoke testing the sanitary sewer system at the next meeting.

Mr. Arrant discussed the delinquent accounts. He noted that MOC has been charging penalties and that MOC will continue to provide delinquent notice to delinquent accounts, and continue to suspend service disconnections. The Board reviewed the delinquent list and requested that Mr. Arrant check the meters at 18302 Heaton Dr. and 18218 Forest Town Dr., as the houses are vacant.

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, to repaint and rehab 109 fire hydrants in the amount of \$5,200, to approve the meter placement to monitor the eight-inch gravity flow line at PFCC, to continue to notify delinquent accounts of delinquency, and to continue to suspend service disconnections until the governor lifts the disaster order.

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 and the President reported on the WHCRWA meeting. Director Worthington suggested that the link to the service supply water project be included on the District's website.

12. **Designation of representative for AWBD Simply Voting.** Ms. Maher stated that the voting for the board members of the Association of Water Board Directors ("AWBD") will be conducted virtually and that the Board can designate a director to vote on behalf of the Board. Upon motion by Director Polansky, seconded by Director Rodriguez, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Director Greer as the District's representative.

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

14. **Discuss recycling event.** Director Worthington stated that the recycling event is tentatively scheduled for October 24, 2020, from 9 a.m. to 12 p.m.

15. **Discuss District website.** Director Rodriguez provided an update on the District website. Director Rodriguez stated that he will add the WHCRWA service supply water project link on the website.

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

17. **Review agenda items for next meeting (August 13, 2020) and such other matters as may properly come before the board.** There were no further reports.

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 August 13, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)