

MINUTES OF MEETING OF BOARD OF DIRECTORS
August 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") convened in regular session on August 13, 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. 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 public comments.
2. **Minutes.** Proposed minutes of the meeting of July 9, 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 July 9, 2020, 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." Director Phelps joined at this time.

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. 10180 through 10205 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 July 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 nos. 1271 and 1272 from the Tax Account in the amount, to the person, and for the purposes listed in such report.

5. **Discuss status of tax values, publication of proposed tax rate, SB 2 district designation, and take any necessary action.** Ms. Rodriguez stated that the certified value from the Harris County Appraisal District has not been received. Ms. Maher stated that this agenda item will be deferred until the next meeting.

6. **Review Investment Policy and accepted related party disclosures.** Ms. Maher presented to and reviewed with the Board the Resolution Reviewing Investment Policy, a copy of which is attached hereto as Exhibit "D." She stated NRF does not recommend any changes at this time. 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 Resolution.

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 "E." Mr. Wempe stated that the work on the Water Plant Electrical Improvements has started, but no pay estimate has been submitted for the month. He reviewed a proposal from Tolunay-Wong Engineers, Inc. for construction material testing services in the amount of \$3,550.00, a copy of which is attached to the Engineer's Report.

Mr. Arrant reported on the placement of the meter to monitor the eight-inch gravity flow line at Pine Forest Country Club ("PFCC"). He stated that the equipment was installed in the manhole on the south side of Clay Road. He noted that two sensors were installed, one on the downstream side of the manhole, and one that is suspended that captures flow as water passes through. He stated that the equipment has been installed for about a month. He reported that there is a two-inch force main that services Deerfield Park that comes out in the same manhole. He stated that when the lift station runs, the two-inch force main pours water down on the monitoring equipment, potentially skewing the data. He reported that the flow has been temporarily diverted and that the data is being monitored. He noted that once the data is received

he will provide that information to the Board.

The Board discussed diagnostic work on the sanitary sewer system. Mr. Arrant stated that he received a proposal to smoke test the system that he will send to the Board. He stated that the proposal price is based off of linear feet. He noted that he also requested two other proposals.

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 Engineer's Report and the proposal from Tolunay-Wong Engineers, Inc. for construction material testing services in the amount of \$3,550.00.

8. Discuss Jackrabbit Public Utility District matters and take appropriate action. The President reported on the Jackrabbit meeting. He stated that Jackrabbit discussed the flood wall, the SCADA system and their 25 year capital improvement projections. He stated that he discussed with Ms. Montelbano the possibility of including a line item on the budget for Jackrabbit related capital improvement projects.

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 "F."

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

Mr. Arrant discussed the delinquent accounts. He stated that MOC has been in contact with customers regarding setting up payment plans. He noted that MOC will continue to provide delinquent notice to delinquent accounts, and continue to suspend service disconnections.

Mr. Arrant stated that the water fountain has arrived and that MOC will schedule the installation.

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 accept the Operations Report, to continue to notify delinquent accounts of delinquency, and to continue to suspend service disconnections until the governor lifts the disaster order.

10. Adopt Order Calling Directors Election. The President recognized Ms. Maher, who presented to and reviewed with the Board the Order Calling Directors Election, a copy of which is attached hereto as Exhibit "G." 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 Order Calling Directors Election.

11. Approve Joint Election Agreement with Harris County. The President recognized Ms. Maher, who presented to and reviewed with the Board the Joint Election Agreement with Harris County, a copy of which is attached hereto as Exhibit "H." 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 Joint Election Agreement with Harris County.

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. **Report on WHCRWA monthly meeting, and related service and construction issues.** Director Worthington reported on the WHCRWA meeting.

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

15. **Discuss recycling event.** Director Worthington stated that the recycling event is still tentatively scheduled for October 24, 2020. He noted that the recycling event will be mentioned in the upcoming DVCA Newsletters. He reported that the state recommendations at the time of the event regarding COVID-19 procedures would be followed.

16. **Discuss District website.** Director Rodriguez provided an update on the District website. He stated that Senate Bill 2 information is being added to the website.

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

18. **Review agenda items for next meeting (September 10, 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 September 10, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)