

MINUTES OF MEETING OF BOARD OF DIRECTORS
September 10, 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 September 10, 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 Montalbano 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; Mr. Bill Blich of Blich Associates, financial advisor 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 August 13, 2020, previously distributed to the Board, were considered for review and approval. 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 minutes of the meetings of August 13, 2020, as presented.

3. **Review Bookkeeper's Report, investment report and authorize payment of bills.** The President recognized Ms. Montalbano, who presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "B."

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 Bookkeeper's Report, and to authorize payment of check nos. 10210 through 10229 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 99.3% of the 2019 taxes as of August 31, 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. 1273 through 1276 from the Tax Account in the amount, to the person, and for the purposes listed in such report.

5. **Consider Financial Advisor's tax rate recommendations and Adopt Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2020.** The President recognized Mr. Blich, who presented to and reviewed with the Board the 2020 Tax Rate Study prepared by Blich Associates, a copy of which is attached hereto as Exhibit "D." Mr. Blich stated that the District's 2020 taxable value is \$251,519,368. He recommended that the Board consider publishing a rate between \$0.1630 and \$0.1690. Discussion ensued.

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 publish a tax rate of \$0.1660 for maintenance and operations.

Ms. Maher then presented to the Board the Order Designating Officer to Calculate and Publish Tax Rates and Taking Other Actions in Connection with the Levy of a Tax for 2020 (the "Order"), a copy of which is attached hereto as Exhibit "E." Ms. Maher informed the Board that this order authorizes the tax assessor to publish the proposed tax rate and the date and time of the District's next meeting. Ms. Rodriguez stated that the notice would be published in the Katy Rancher. Director Rodriguez stated that he will post the notice on the District's website. It was the consensus of the Board to also publish the notice in the DVCA Newsletter.

6. **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 presented Pay Estimate No. 1 in the amount of \$153,090.90 for the Water Plant Electrical Improvements. He noted that check no. 10229 for the payment of Pay Estimate No. 1 was approved under the Bookkeeper's report.

The Board discussed diagnostic work on the sanitary sewer system. Mr. Arrant stated that he received a proposal to smoke test the system at a price of \$1.10 per linear foot, with a 6,000 linear foot minimum. He noted that the District has approximately 63,000 linear feet and that the Board could smoke test the system in sections. Mr. Wempe stated he will coordinate with Mr. Arrant to prepare a plan to smoke test the system.

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

8. **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 stated that the data received from the meter to monitor the flow of the eight-inch gravity line at Pine Forest Country Club will be included in the Operations Report.

Mr. Arrant reported that there was a leak off of Clay Road that was repaired and that the contractor will be back charged for the repair expense.

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 there are three accounts totaling \$87.83 that will be turned over to Collections Unlimited of Texas.

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

9. **Adopt Order Declaring Unopposed Candidates Elected to Office.** Ms. Maher presented to and reviewed with the Board the Order Declaring Unopposed Candidates Elected to Office and Certificate of Unopposed Status, a copy of which is attached hereto as Exhibit "H." 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 Declaring Unopposed Candidates Elected to Office and approve the Certificate of Unopposed Status.

10. **Discuss and consider Rate Order and take any necessary action.** Discussion ensued about reviewing the rates in the Rate Order after January 1, 2021, once the new rates of the West Harris County Regional Water Authority ("WHCRWA") are in effect. 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, Director Greer and the President reported on the WHCRWA meeting.

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

13. **Discuss recycling event.** Director Worthington provided an update on the recycling event scheduled for October 24, 2020.

14. **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.

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

16. **Review agenda items for next meeting (October 8, 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 October 8, 2020.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)