

MINUTES OF MEETING OF BOARD OF DIRECTORS
January 14, 2021

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 January 14, 2021, 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. Fran Matuska 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"), attorneys 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 meetings of December 10, 2020, and December 12, 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 December 10, 2020, and December 12, 2020, as presented.

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

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 Bookkeeper's Report, and to authorize payment of check nos. 10300 through 10317 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

4. **Consider Property Tax Exemptions.** Ms. Maher presented to and reviewed with the Board an Order Adopting Tax Exemption from Taxation for Individuals who are Disabled or are 65 Years of Age or Older, a copy of which is attached hereto as Exhibit "C." Discussion ensued.

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 adopt the Order Adopting Tax Exemption from Taxation for Individuals who are Disabled or are 65 Years of Age or Older.

5. **Adopt Resolution Authorizing Additional Penalty on Delinquent Taxes.** Ms. Maher presented to and reviewed with the Board a Resolution Authorizing Additional Penalty on Delinquent Taxes, a copy of which is attached hereto as Exhibit "D." She stated that the revenue collected by levying this penalty is used to pay the delinquent tax attorney for the services provided to the District.

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 adopt the Resolution Authorizing Additional Penalty on Delinquent Taxes and to authorize Hal R. Gordon to enforce collection of delinquent 2020 taxes.

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 "E."

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. 1289 through 1293 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 stated that there is no Progress Payment to approve for the Water Plant Electrical Improvements. He stated that he received an update from the contractor that CenterPoint should be onsite tomorrow, and that the Water Plant should be mostly operational within the next week. He stated that once a final walkthrough is conducted, then a final pay estimate will be submitted.

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 Director Phelps, who presented to and reviewed with the Board an Executive Summary and Calculation for Water Plant Piping Corrosion, copies of which are attached hereto as Exhibit "F." He stated that with the Water Plant Electrical Improvements, there has been a significant increase in electrical grounding at the Water Plant, and that the newly installed grounding system connects buried copper to several locations in the Water Plant. He discussed galvanic corrosion and proposed that the District install a galvanic anode system to mitigate the threat of corrosion. Discussion ensued. Director Phelps stated that he can coordinate with MOC and Pape-Dawson and that more information can be provided at the next meeting. It was the consensus of the Board to include an agenda item for the next meeting.

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 requested authorization to turn two accounts over to Collections Unlimited of Texas.

Mr. Arrant discussed the delinquent accounts. He stated that MOC has been in contact with customers regarding setting up payment plans. The Board discussed resuming termination of service for delinquent accounts in accordance with the District's Rate Order beginning February 1, 2021. Mr. Arrant stated that MOC can provide delinquent notice letters to the delinquent accounts notifying them of service termination. Discussion ensued. Mr. Arrant stated that he can coordinate with the President on the delinquent notice letter to be distributed to residents.

Mr. Arrant stated that MOC will coordinate with the Deerfield Village Community Association to repair the damaged light pole on Heathersage Drive.

Mr. Arrant stated that the contract for the rental meter that monitors the flow of the eight-inch gravity line at Pine Forest Country Club expires this month. He stated that to renew the contract it would approximately be \$2,200 a month. Discussion ensued. It was the consensus of the Board to not renew the contract for the rental meter.

Mr. Arrant discussed the Risk Assessment compliance for the American Water Infrastructure Act ("AWIA"). He stated that the District's current connection count is under 3,300 so the District is below the population requirement, so the District will not have to complete the assessment.

Mr. Arrant reviewed a spreadsheet of accounts that experienced a 50% increase or greater in consumption, a copy of which is attached hereto as Exhibit "H." Discussion ensued. Mr. Arrant stated that MOC will continue to monitor these accounts.

Mr. Arrant discussed security at the Water Plant. He stated that MOC can provide estimates at the next meeting for installing more lights. The Board discussed the potential need of security cameras once the lights are functioning.

Upon motion by Director Rodriguez, seconded by Director Phelps, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Operations

Report, to turn two accounts over to Collections Unlimited of Texas, to continue to notify delinquent accounts of delinquency, and to continue to suspend service disconnections.

10. **Consider options for participating in Deerfield Village Community Association perimeter fence replacement project and take appropriate action.** It was the consensus of the Board to table this agenda item until the next meeting.

11. **Discuss and consider Rate Order and take any necessary action.** The Board reviewed the Rate Order, a copy of which is attached hereto as Exhibit "I." Ms. Maher stated that the Board requested to review the Rate Order due to the increase in the trash service rate. Mr. Arrant stated that the trash service rate is embedded in the sewer rate. Ms. Maher stated that there are additional proposed revisions that have not been approved by the Board. It was the consensus of the Board to discuss the Rate Order at the next meeting.

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

13. **Discuss District website.** Director Rodriguez provided an update on the District website. He stated that he will update the website with the recent meeting recordings. Ms. Maher stated that NRF has prepared an agreement with Mpire Design Group for the monthly website maintenance that the District would pay for once a year. She noted that the agreement will be sent to Mpire Design Group for their review.

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 (February 11, 2021) 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.

*

*

*

The above and foregoing minutes were passed and approved by the Board of Directors on February 11, 2021.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)