

MINUTES OF MEETING OF BOARD OF DIRECTORS
March 11, 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 March 11, 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. Colleen Vera, Mr. Jonathan Hopko, Mr. Dean Forbes and Mr. Glenn Summers, residents of the District; Mr. Eric Toureilles of the Deerfield Village Community Association ("DVCA"), 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 Mr. Dimitri Millas 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.** The President opened the meeting for public comments. Ms. Vera expressed concerns regarding the District contributing funds to the DVCA perimeter fence project and asked about the statutory authority that allows for the District to contribute funds. Mr. Hopko stated that he emailed a letter to the Board regarding his concerns about the District contributing funds to the DVCA perimeter fence project. The President stated that that the letter would be entered as an Exhibit in the minutes, however, the Board has not had time to review the

letter.

Mr. Summers discussed communications and the boil water notice during Winter Storm Uri and suggested the Board consider text message emergency notification systems. The President addressed the boil water notice. Mr. Forbes also suggested the Board consider SMS emergency notification systems.

2. **Minutes.** Proposed minutes of the meetings of February 11, 2021, 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 meeting of February 11, 2021, 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." She reported that the District's contract with AT&T expired and that the District is paying a month to month rate. She requested the Board's authorization for F. Matuska, Inc. to negotiate a 12 month contract with AT&T. Director Greer stated that he can be the contact for the AT&T contract.

Upon motion by Director Rodriguez, 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. 10353 through 10380 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report, and to authorize F. Matuska, Inc. to negotiate a 12 month contract with AT&T.

4. **Adopt budget for fiscal year ending March 31, 2022.** Ms. Matuska reviewed with the Board a proposed budget for fiscal year ending March 31, 2022, a copy of which is attached to the Bookkeeper's Report. She noted that the line item for Corrosion Mitigation was added under Repairs & Maintenance in the amount of \$7,000. She also noted the budget included a line item for the perimeter fence contribution in case the Board decides to contribute to the project. She stated that this line item would be removed if the Board decides to not contribute.

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 adopt the budget for the fiscal year ending March 31, 2022.

5. **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 presented to and reviewed with the Board the quarterly delinquent list, a copy of which is attached hereto as Exhibit "D."

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. 1300 through 1304 from the Tax Account in the amount, to the person, for the purposes listed in such report.

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 "E." He reported on the status of the Water Plant Electrical Improvements and stated that Progress Payment No. 5 in the amount of \$65,599.20 was submitted for payment and approval. He noted that Progress Payment No. 5 was approved under the Bookkeeper's Report. He reported that there was an operational walk through last week and that there are a few programming items that need to be addressed. The President requested that a special meeting be scheduled to walk through the plant. Mr. Arrant stated that he would send proposed dates for the special meeting to the Board.

7. **Discuss Water Plant piping corrosion mitigation plan.** The President recognized Director Phelps, who stated that MOC has ordered the anodes and that MOC is waiting on the materials.

8. **Discuss Jackrabbit Public Utility District matters and take appropriate action.** Director Worthington reported on the meeting. He discussed Jackrabbit Public Utility District's ("Jackrabbit") operations during Winter Storm Uri. Discussion ensued. Director Worthington stated that he would obtain a copy of Jackrabbit's minutes for the Board's review.

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 operations during Winter Storm Uri and the requirements for the District issuing a boil water notice.

Mr. Millas joined the meeting at this time.

Mr. Arrant reviewed the delinquent list with the Board. He stated that the Harris County Judge issued a request that municipal utility districts suspend service disconnections and waive new late payment charges at least through April 30, 2021 due to Winter Storm Uri.

Mr. Arrant reported that there was a sanitary sewer overflow on Heathersage Drive due to pool water being pumped into a sanitary sewer manhole. He stated that the overflow was reported to the Texas Commission on Environmental Quality.

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 Operations Report, to continue to notify delinquent accounts of delinquency, and to continue to suspend service disconnections and waive new late payment fees until April 30, 2021.

10. **Consider options for participating in Deerfield Village Community Association perimeter fence replacement project and take appropriate action.** The President presented the formal request letter from the DVCA for the contribution of \$85,000 to the perimeter fence project, a copy of which is attached hereto as Exhibit "G." The President also presented the letter from Mr. Hopko, a copy of which is attached hereto as Exhibit "H."

Mr. Millas stated that the relevant statute that allows the District to contribute funds for beautification projects, like fencing, is Chapter 49 of the Texas Water Code, Section 49.461. The President discussed the option of NRF preparing an agreement between the District and the DVCA. Mr. Millas stated that the agreement would have the DVCA provide an indemnity clause that would protect the District from any liability, and that the DVCA would have certain obligations like the maintenance of the fence for the term of the agreement. He noted that the Board could also include a clause in the agreement to help ensure that the DVCA's maintenance obligation was enforced over the term of the agreement.

Mr. Hopko expressed his concern with the DVCA meetings and voting process for the project. Discussion ensued. It was the consensus of the Board to vote on if the Board would like NRF to draft an agreement.

Upon motion by Director Greer, seconded by Director Rodriguez, after full discussion and the question being put to the Board, the Board voted by majority, with Director Phelps voting nay and Director Worthington abstaining, to authorize NRF to draft an agreement between the DVCA and the District for the \$85,000 contribution to the perimeter fence project.

11. **Discuss and consider Rate Order and take any necessary action.** The Board reviewed a clean copy and blackline copy of the Rate Order, copies of which are 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, and noted that the rate is reflected in the Rate Order. She also stated that there are additional proposed revisions that have not been approved by the Board. She noted that the proposed revisions include revisions to the Sample Service Inspection Certification language from amendments made to the Safe Water Drinking Act, a proposed leak adjustment clause, and a proposed rate increase for ¾-inch residential tap fee from the MOC contract amendment.

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 approve the Amended and Restated Rate Order.

12. **Report on WHCRWA monthly meeting, and related service and construction issues.** Directors Phelps, Worthington and Greer reported on the West Harris County Regional Water Authority ("WHCRWA") meeting. The President stated that the District's WHCRWA representative should attend a future 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.

14. **Discuss text message notification system and take any necessary action.** The President recognized Director Rodriguez, who stated that he is researching different options for emergency text messaging notification systems. He discussed Amazon Web Services, Stand Alone, Inc., Triton, and mobile-text-alerts.com. He stated that with mobile-text-alerts.com, it is \$24 a month for 1,000 text messages, with additional messages costing three cents apiece. He noted that there is a 14 day free trail if the Board is interested in testing the service. The Board discussed potentially using text message notifications for emergencies, drought contingencies and information regarding trash services. It was the consensus of the Board to further discuss this agenda item at the next meeting.

15. **Discuss website maintenance agreement and take necessary action.** The President recognized Ms. Maher, who presented the Service Agreement for website maintenance between the District and Mpire Design Group (the "Agreement"), a copy of which is attached hereto as Exhibit "J." She stated that the Agreement is for monthly website maintenance that the District would pay for once a year. She noted that the Agreement has been approved by Mpire Design Group.

Upon motion by Director Rodriguez, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Agreement.

16. **Cyber security training reminder (HB3884).** The President recognized Ms. Maher, who stated that the Board is required to annually complete cyber security training by June 14th. She noted that the Association of Water Board Directors ("AWBD") is hosting a couple of online training seminars in April and that the email to register was provided to the Board.

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 (April 8, 2021) and such other matters as may properly come before the board.** The President stated that the Rate Order and Corrosion Mitigation agenda items can be removed.

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 April 8, 2021.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)