

MINUTES OF MEETING OF BOARD OF DIRECTORS
May 13, 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 May 13, 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, and Mr. Glenn Summers, residents of the District; Mr. Eric Toureilles of the Deerfield Village Community Association; 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 concern regarding the Board's consideration to contribute to the Deerfield Village Community Association's ("DVCA") security expense and asked about the statutory authority that allows for the District to contribute to security expenses. Mr. Summers stated that he sent a letter addressing his concerns regarding the perimeter fence project and summarized his concerns and the District's discussion regarding contributing to the DVCA for security expenses.

2. **Minutes.** Proposed minutes of the meeting of April 8, 2021, previously distributed to the Board, were considered for review and approval. 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 minutes of the meeting of April 8, 2021, as presented.

Proposed minutes of the meeting of April 27, 2021, previously distributed to the Board, were considered for review and approval. Ms. Maher noted that she would revise the minutes to reflect Mr. Summers attendance. 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 one abstention as one director was inaudible, to approve the minutes of the meeting of April 27, 2021, as revised.

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 Greer, seconded by Director Phelps, 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. 10410 through 10434 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." Mr. Millas joined the meeting at this time.

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. 1307 through 1312 from the Tax Account in the amount, to the person, for the purposes listed in such report.

5. **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 reported on the status of the Water Plant Electrical Improvements. He stated that the contractor is still working on the remaining punch list items. Director Greer stated that the District needs to contact Harris County Flood Control District ("HCFCD") regarding the sinkhole from the underground pipes along the greenbelt easement. Mr. Wempe stated that he would follow-up with HCFCD to confirm that the line belongs to HCFCD, and for a contact who maintains the area.

6. **Consider options and review agreement for participating in Deerfield Village Community Association perimeter fence replacement project or contributing to security costs and take appropriate action.** The President provided an update on the DVCA perimeter fence project. He stated that at the April 27, 2021, meeting the Board decided to not pursue the agreement with the DVCA for the perimeter fence project. He noted that the District discussed making a one-time contribution to the DVCA for their security expenses, which could free up funds for the DVCA.

Mr. Millas reported that under Chapter 49.216 of the Texas Water Code, the District is given the authority to provide security services, by either contracting with security providers directly, or by providing funds to another party's provision of security services for the District. He

presented to and reviewed with the Board the draft Security Contribution Agreement for the Reimbursement of Law Enforcement Services (the "Agreement"), a copy of which is attached hereto as Exhibit "D." He stated that the Agreement is drafted as a one-time contribution of \$85,000, minus the accrued legal fees of the District, to the security expense of the DVCA. Discussion ensued.

The President proposed that the Board review the Agreement and then vote on the Agreement at the next meeting. He noted that the draft Agreement will be posted on the website.

The President reopened the meeting for further comments from the public. Mr. Hopko and Mr. Summers expressed their concerns with the potential donation. Mr. Toureilles joined the meeting at this time. Discussion ensued. The President stated that the Agreement will be reviewed by the DVCA for any comments and that the Board will consider the Agreement at the next meeting.

7. Discuss Jackrabbit Public Utility District matters and take appropriate action. Director Phelps reported on the Jackrabbit Public Utility District ("Jackrabbit") meeting. He stated that the SCADA system project is complete. He noted that the Jackrabbit board will be conducting a tour of the plant and expressed that some members of the Board would like to attend the tour as well. Discussion ensued regarding the resource sharing agreement. Mr. Arrant stated that he would provide a copy of the resource sharing agreement with the Board.

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 "E."

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

Mr. Arrant stated that there is one account to turn over to the uncollectable roll in the amount of \$3.64.

Mr. Arrant reviewed the delinquent list with the Board. He discussed the delinquent process with the Board. He stated that MOC can notify accounts with 60 days or more of delinquency to contact MOC to set up payment plans. He noted that if those accounts fail to make a payment, those accounts will be terminated. He stated that the Board can resume termination of service to delinquent accounts in accordance with the terms of the District's Rate Order, and to authorize MOC to notify the accounts with 60 days or more of delinquency to contact MOC to set up payment plans not to exceed six months.

Mr. Arrant stated there is one account set up by a property management company that is not on the delinquent list. He noted that the home is off Heather Sage Dr. and is unoccupied. He reported that the home had a leak during the winter storm and freeze event. He stated that during the period of February 2 to March 3, the meter read 321,000 gallons. He noted that MOC hung door tags and terminated service on March 8, 2021. He reported that from March 3 to March 8, the meter read 121,000 gallons. He stated that MOC has asked the customer to provide proof of repair and that the customer provided a receipt from a plumber of inspection of the property. He reported that the customer is disputing that there was a leak and is asking the Board for consideration of a bill adjustment. He noted that the balance is currently \$3,100. He stated that the meter has been pulled and that there is a new meter installed. The President suggested that the Board revisit the request once MOC has utilized their diagnostic tools.

Mr. Arrant stated that Harris County Municipal Utility District No. 183 has not billed the District yet for when the District was on interconnect.

Mr. Arrant reviewed with the Board the GM Services report on the Water Well No. 1 performance testing, a copy of which is attached hereto as Exhibit "F."

Mr. Arrant discussed the request for additional lighting at the Water Plant. He stated that the Board discussed adding a wooden post with two 150 watt LED lights between the entry gate of the Water Plant and the generator building, adding two 150 watt LED lights to the front and side of the generator building and two 50 watt LED lights to the back of the generator building. He stated that the estimate is around \$8,800. Director Phelps requested that Mr. Arrant provide pictures of the fixtures.

Mr. Arrant reviewed a dye test photo of the 84-inch storm line, a copy of which is attached hereto as Exhibit "G." He stated that Pape-Dawson is coordinating with HCFCD to seal the leak.

Mr. Arrant reported that MOC is working on the water smart application.

The President stated that he received a request from a resident to power wash or clean the ground storage tank. Mr. Arrant stated that MOC can look into that cost.

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 authorize termination of service to delinquent accounts in accordance with the terms of the District's Rate Order and to authorize MOC to notify the accounts with 60 days or more of delinquency to contact MOC to set up payment plans not to exceed six months.

9. **Approve Consumer Confidence Report.** Mr. Arrant presented to and reviewed with the Board the Consumer Confidence Report ("CCR"), a copy of which is attached hereto as Exhibit "H." He noted that the CCR is due to customers by July 1. 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 CCR subject to final review from NRF.

10. **Report on WHCRWA monthly meeting, and related service and construction issues.** There was no report.

11. **Discuss WHCRWA plan to install 84" water line through the District, and a planned community meeting with the DVCA and WHCRWA regarding the project.** The President stated that the District and DVCA are holding a town hall meeting regarding the project on May 17, 2021.

12. **Discuss District website.** Director Rodriguez provided an update on the District website. He stated that the messaging system on the website should now be working and noted that the directors listed on the website would be updated.

13. **Discuss text message notification system and take any necessary action.** The President recognized Director Rodriguez, who reported on the options for emergency text messaging notification systems. He stated that the Board signed up for the trial of the service from mobile-text-alerts.com. He stated that the next step would be to convert the trial account into an account and noted that he has asked the owners of the website how the District would handle payments. Ms. Maher stated that the service agreement wasn't on the website and requested that

Director Rodriguez provide a copy of the service agreement for NRF's review. Director Phelps stated that the Board needs to think about the process and criteria for sending text messages.

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

15. **Cyber security training reminder.** Ms. Maher stated that cyber security training is due by June 14, 2021.

16. **Review agenda items for next meeting (June 10, 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.

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The above and foregoing minutes were passed and approved by the Board of Directors on June 10, 2021.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)