

MINUTES OF MEETING OF BOARD OF DIRECTORS
June 10, 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 June 10, 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 Mr. Jim Hunt, Ms. Colleen Vera, 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 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. Mr. Summers stated that the meeting documents are not posted in a timely manner and are difficult to find on the website, making it difficult for the public to respond in a timely manner. Director Rodriguez stated that he would update the website.

Mr. Summers also stated that he reviewed the meeting documents and noticed that the

Deerfield Village Community Association (“DVCA”) submitted a written request to the District for the donation of funds for the perimeter fence project, but did not submit a written request for the donation of funds for the DVCA’s security expenses. He noted that in his prior experiences with the District, the District has required a written request from the DVCA. He asked why the District is considering an agreement for the donation of funds for the DVCA’s security expenses when a written request has not been provided. The President stated that the District decided to consider the possibility of returning \$80,000 of the community’s money through the DVCA and that there was not a formal request for a security contribution. He stated that the agreement would be discussed under the agenda item.

2. **Minutes.** Proposed minutes of the meeting of May 13, 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 May 13, 2021, as presented.

Proposed minutes of the meeting of May 17, 2021, previously distributed to the Board, were considered for review and approval. 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 minutes of the meeting of May 17, 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.”

Ms. Matuska reported that BBVA USA was purchased by PNC Bank and that PNC Bank is not interested in retaining public funds. She noted that the District will need to change their depository bank by October.

Ms. Matuska stated that the security line item on the budget would need to be amended if the Board approve the agreement to contribute funds to the DVCA’s security costs.

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 accept the Bookkeeper’s Report, and to authorize payment of check nos. 10435 through 10464 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’s 2021 preliminary value is slightly over \$270 million, which is approximately a 6.8% increase from 2020.

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 Tax Assessor and Collector’s Report, and to authorize payment of check nos. 1313 and 1314 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 Pape-Dawson received a change order from the contractor in the amount of \$8,027, and that Pape-Dawson will follow-up with the contractor regarding remaining questions. He requested the Board's authorization to approve the change order subject to the final review of the change order from Pape-Dawson and Directors Phelps and Greer.

Mr. Wempe discussed the ownership of the dual 84-inch pipes that run under the patio homes. He stated that Pape-Dawson received confirmation from the Harris County Flood Control District ("HCFCD") that HCFCD does not maintain the pipes. He noted that Pape-Dawson and NRF are continuing to look into the ownership. Mr. Arrant discussed the repairs to address the sinkhole at the patio homes and noted that MOC can provide a cost estimate.

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 change order in the amount of \$8,027, subject to Pape-Dawson's and Directors Phelps and Greer's final review.

6. 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 design of the floodwall is 95% complete and that Jackrabbit is postponing the advertising of the project. He noted that the SCADA system project is complete. He stated that he can provide a copy of Jackrabbit's budget to any requesting Directors.

7. 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 "D."

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

Mr. Arrant stated that there are two accounts to turn over to the uncollectable roll in the amount of \$582.74.

Mr. Arrant reviewed the delinquent list with the Board.

Mr. Arrant reported on the account at 3911 Heather Sage Dr. that was vacant during the winter storm and freeze event and had high usage. He stated that the account is set up by a property management company, and that the customer is disputing the balance of the bill. He noted that MOC met on site with the customer and confirmed that there was no evidence of a leak. He reported that the home is rental property and that a new tenant is attempting to set up service. He noted that typically before setting up service, the outstanding balance would need to be settled. Discussion ensued. He stated that the meter was pulled and that a new meter was installed April 30, 2021. He noted that the old meter can be tested. Mr. Arrant confirmed that the account for the tenant is separate from the owner's account and the tenant would not be responsible for the outstanding amount. The President stated that he would further discuss the issue with Mr. Arrant.

Mr. Arrant stated that MOC can look into the cost to power wash the ground storage tanks and the hydropneumatic tanks.

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 and to authorize termination of service to delinquent accounts in accordance with the terms of the District's Rate Order.

8. **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 Board reviewed the Security Contribution Agreement for the Reimbursement of Law Enforcement Services (the "Agreement"), a copy of which is 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 by majority, with Director Phelps voting nay, to approve the Agreement.

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

10. **Discuss WHCRWA plan to install 84" water line through the District, and a planned community meeting with the DVCA and WHCRWA regarding the project.** There was no report.

11. **Discuss District website.** Director Rodriguez provided an update on the District website. He stated that the three messages were received. He noted that he would include the contact information for the District's representative from the West Harris County Regional Water Authority on the website.

12. **Discuss text message notification system and take any necessary action.** The President recognized Director Rodriguez, who reported on the emergency text messaging notification system. He stated that the Board signed up for the trial of the service from mobile-text-alerts.com. He noted that mobile-text-alerts requires a credit card for payment, and that he is coordinating with MOC to set up payment. He also noted that NRF provided comments on the service agreement and that mobile-text-alerts lawyers are reviewing the comments.

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 a one year contract with mobile-text-alerts, subject to the incorporation of the revisions provided by NRF in the service agreement, and to grant the President authority to sign the service agreement once available.

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

14. **Discuss meeting format.** The Board discussed the option of holding a hybrid meeting. The President stated that the Board will aim to have a hybrid meeting for July, but that a decision will be made closer to the meeting date.

15. **Review agenda items for next meeting (July 8, 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 July 8, 2021.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)