

MINUTES OF MEETING OF BOARD OF DIRECTORS  
July 8, 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 July 8, 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, except Director Phelps, thus constituting a quorum. Also attending all or parts of the meeting were Ms. Colleen Vera, and Mr. Glenn Summers, residents of the District; Ms. Julia McCain of McCall Gibson Swedlund Barfoot PLLC, auditor for the District ("McCall"); Mr. Brent Burris 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. 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. There were no public comments.
2. **Minutes.** The President stated that comments to the June 10, 2021 minutes were received from Mr. Summers. He noted that the minutes will be discussed at the August meeting

after NRF has reviewed the meeting transcript and made the appropriate revisions, if any, to address Mr. Summers comments.

3. **Approve audit for fiscal year ended March 31, 2021.** The President recognized Ms. McCain, who presented to and reviewed with the Board the annual financial audit for the fiscal year ended March 31, 2021, the management representation letter and the board of directors representation letter, copies of which are attached hereto as Exhibit "B." Discussion ensued. Ms. McCain confirmed that the dual 84-inch pipes that run under the patio homes are not listed as District assets. Director Rodriguez suggested that Texas Pride Disposal be added to the list of consultants.

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 audit, with the revision to the list of consultants, for the fiscal year ended March 31, 2021, and to authorize Director Polansky to sign the board of directors representation letter.

4. **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 "C."

Ms. Matuska stated that the revised bill from NRF was not included on the report, but that check no. 10496 in the amount of \$2,000 was included in the checks for approval.

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 Bookkeeper's Report, and to authorize payment of check nos. 10465 through 10493, and 10496 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

5. **Approve Depository Pledge Agreement.** Ms. Matuska stated that BBVA Bank was purchased by PNC Bank and that PNC Bank is not interested in retaining public funds. She suggested that the Board move the District accounts currently with BBVA Bank to Central Bank. The Board reviewed the Depository Pledge Agreement ("DPA") with Central Bank, a copy of which is attached hereto as Exhibit "D."

Upon motion by Director Rodriguez, and seconded by Director Worthington, after full discussion and the question being put to the Board, the Board voted unanimously to approve moving the District accounts currently with BBVA Bank to Central Bank and to approve the DPA.

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."

Ms. Rodriguez reported that Wells Fargo is beginning to implement fees, and that BLI is considering moving accounts currently with Wells Fargo to Allegiance Bank. She requested that the approval of a DPA with Allegiance Bank be on the next agenda.

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

Tax Assessor and Collector's Report, and to authorize payment of check nos. 1315 and 1316 from the Tax Account in the amount, to the person, 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 stated that he received an email update from the District's engineer. He reported that Directors Greer and Phelps met with the District's engineer at the Water Plant to review the remaining punchlist items for the electrical improvements. He reported that the email stated there are still a some programming issues that are in the process of being resolved.

8. **Receive report from subcommittee to review the water plant control building construction project and take appropriate action.** Director Greer stated that he and Director Phelps met with the District's engineer to discuss the issues with the delays of the Water Plant Electrical Improvements project and why the project isn't complete. He reported that Pape-Dawson would try to provide assistance for the District's engineer on District matters. He noted that he will provide an update at the next meeting if necessary.

9. **Discuss Jackrabbit Public Utility District matters and take appropriate action.** Director Worthington stated that the meeting is next week.

10. **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 stated that there are three accounts to turn over to the uncollectable roll in the amount of \$353.03.

Mr. Arrant reviewed the delinquent list with the Board.

Mr. Arrant discussed the 18-inch gravity line paralleling Pine Forest Lane and stated that the line is beginning to show signs of failure. He noted that it may be beneficial for the District to get pricing for slip lining the line and stated that MOC will look into the pricing. Discussion ensued regarding the pros and cons of slip lining or pipe bursting the line. Mr. Arrant stated that MOC can look into pricing for both options.

The President reported on a drainage issue behind the patio homes and stated that an estimate was provided by MOC. He stated that there was discussion regarding a potential cost sharing agreement between the District and the DVCA, and that the DVCA would like to present the issue to the Harris County Commissioners Court to see if the Harris County Flood Control District takes responsibility for the defective repair on the line. He noted that any work by the District is currently tabled.

Mr. Arrant reported on the account at 3911 Heather Sage Dr. He stated that MOC received a written request from the account holder asking for the Board's consideration to waive the bill that is in excess of \$3,000. He stated that MOC pulled and tested the meter and met on site with the account holder and did not find evidence of a leak. Discussion ensued. It was the consensus of the Board to not take action at this time. The President noted that if the account holder can provide additional documentation, or explanation for the increased consumption, the Board can

consider the request at a future meeting.

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.

11. **Consider proposed Security Contribution Agreement between HCMUD 136 and the Deerfield Village Community Association and take appropriate action.** The President recognized Mr. Millas, who provided an update on the proposed Security Contribution Agreement for Reimbursement of Law Enforcement Services (the "Agreement"). He reported that the Agreement was previously approved by the Board at the June 10, 2021 meeting, and stated that upon further review of the DVCA's contract with S.E.A.L. Security Services, the District would not be able to enter into the Agreement. He stated that S.E.A.L. officers are not able to make arrests, and therefore do not qualify as Peace Officers for the District to legally contribute funds to the DVCA's security expense.

Mr. Millas stated that NRF's legal bill was revised to remove any time related to the Agreement. He recommended that the Board rescind their previous motion to approve the Agreement.

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 rescind the previous motion to approve the Agreement from the June 10, 2021 meeting.

12. **Report on WHCRWA monthly meeting, and related service and construction issues, including WHCRWA installation of an 84" water line through the District.** The President stated that the meeting will be next week.

13. **Discuss District website.** Director Rodriguez provided an update on the District website. He stated that a section for the text message alerts was added, and that Ms. Maher's contact information was added.

14. **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 service agreement was updated with NRF's comments, and that MOC set up the payment for the year, so the services are up and running. He noted that he will add an announcement of the service on the District's website. Ms. Maher requested that Director Rodriguez provide the revised service agreement and 1295 form from mobile-text-alerts.com.

15. **Review Article for DVCA Newsletter.** Director Rodriguez stated that he will prepare the article for the DVCA Newsletter. Director Worthington provided an update on the recycling event, and stated that the event is tentatively scheduled for October 23, 2021. The President requested that an agenda item for the recycling event be on the next agenda.

16. **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 August, but that a decision will be made closer to the meeting date.

17. **Review agenda items for next meeting (August 12, 2021) and such other matters as may properly come before the board.** Mr. Millas reported that the Office of the Governor intends to lift the temporary suspension of certain provisions of the Open Meetings Law after September 1, 2021, which would mean the District would need to revert back to having physical meetings. He discussed the option of hybrid meetings. He stated that he will send a written description of the meeting options to the Board President for review and that an agenda item can be placed on the August agenda.

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 August 12, 2021.

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President, Board of Directors

ATTEST:

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Secretary, Board of Directors

(DISTRICT SEAL)