

MINUTES OF MEETING OF BOARD OF DIRECTORS
August 12, 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 August 12, 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, and Mr. Glenn Sommers, 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 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. Sommers stated the minutes need to reflect the correct spelling of his last name. He also stated that he submitted a request on behalf of the DVCA and the security committee for the Board's reconsideration of the donation to the DVCA's security expenses. He noted that the security committee has looked at other security uses for the contribution that could be legally permitted. He stated that the President responded that the request needs to come from the DVCA board

members and that he has provided the request to Mr. Toureilles to be placed on the DVCA agenda. He asked if the Board has a formal process for considering requests from the DVCA. Director Polansky stated that requests for the Board's consideration need to come from the DVCA board of directors and not a committee, and that the request would need to be specific.

Ms. Vera discussed the purpose of the District and proposed that the \$85,000.00 that the Board originally considered donating to the DVCA be divided and credited back to the customers. She suggested that the Board take into consideration the purpose and use of any extra funds when discussing the tax rate in the coming months.

2. **Minutes.** Proposed minutes of the meeting of June 10, 2021, previously distributed to the Board, were considered for review and approval. 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 minutes of the meeting of June 10, 2021, as presented.

Proposed minutes of the meeting of July 8, 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 July 8, 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 stated that check no. 10529 from Direct Energy in the amount of \$2,571.11 was not listed on the report but was included in the checks for approval.

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 accept the Bookkeeper's Report, and to authorize payment of check nos. 10497 through 10525 and 10529, 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."

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 Tax Assessor and Collector's Report, and to authorize payment of check no. 1317 from the Tax Account in the amount, to the person, for the purposes listed in such report.

5. **Approve Depository Pledge Agreement.** Ms. Rodriguez reported that Wells Fargo Bank is beginning to implement fees, and that BLI is requesting the Board's authorization to transfer accounts currently with Well Fargo Bank to Allegiance Bank. The Board reviewed the Depository Pledge Agreement ("DPA") with Allegiance Bank, a copy of which is attached hereto as Exhibit "D."

Upon motion by Director Rodriguez, and seconded by Director Greer, after full discussion

and the question being put to the Board, the Board voted unanimously to approve moving the District accounts currently with Wells Fargo Bank to Allegiance Bank and to approve the DPA.

6. **Review Investment Policy and accept related party disclosures.** Ms. Maher presented to and reviewed with the Board the Resolution Reviewing Investment Policy (“Resolution”), a copy of which is attached hereto as Exhibit “E.” She stated NRF does not recommend any changes at this time. 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 Resolution.

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 reported on the status of the Water Plant Electrical Improvements. He reported that a change order was submitted by the contractor, and that he is working through the change order with Director Phelps and Director Greer. He stated that there are two components to the change order, one is the addition of a low level alarm and the other is the addition of a three phase failure alarm. He noted that the contractor is taking care of the electrical outlets at the sightglasses on the hydropneumatic tanks.

8. **Receive report from subcommittee to review the water plant control building construction project and take appropriate action.** Director Phelps and Director Greer stated that the subcommittee will have a report at a later meeting.

9. **Discuss Jackrabbit Public Utility District (“Jackrabbit”) matters and take appropriate action.** Director Worthington stated that he attended the meeting. He noted that Jackrabbit held a facility tour for their directors. The President requested that Mr. Arrant communicate with Jackrabbit’s operator to discuss a tour of the wastewater treatment plant for the Board. He noted that Jackrabbit is continuing to work on the design plan for the floodwall. Director Phelps noted that Jackrabbit has postponed the bidding of the floodwall due to the increase in cost for materials.

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 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 MOC received an estimate in the amount of \$160,000.00 to slip line roughly 1,600 linear feet of the gravity line. He stated that MOC is working on quotes for pipe bursting. Discussion ensued. Mr. Wempe stated that since the repair would be over \$75,000.00, the project would need to be publically advertised for bidding. Mr. Arrant proposed that an agenda item be included next month to authorize Pape-Dawson to begin the design of the project and prepare for it to be advertised. Director Phelps suggested that it may be beneficial for the repair to be included in the asset management plan (“AMP”) and for the Board to review the AMP to see where the repair falls on the priority list. Mr. Wempe stated that Pape-Dawson would review the AMP and look at pricing for slip lining so the Board can review the items simultaneously. Director Phelps suggested that discussion of the AMP be included on the next agenda.

Mr. Arrant reported on a drainage issue behind the patio homes and stated that MOC provided a cost estimate for the repairs to the dual 84-inch pipes in the amount of \$6,600.00. He noted that MOC can inspect the lines by either televising or walking the line. Discussion ensued. The President stated that the Board will need confirmation from NRF that if the District completes the surface level repairs, that the District is not thereby claiming ownership of the pipes. Mr. Toureilles stated that he will try to schedule a meeting with Harris County Commissioner, Precinct 3, Tom Ramsey to discuss the issue. The President stated that he can participate in that meeting as well.

Mr. Arrant reported on the account at 3911 Heather Sage Dr. He stated that a payment has not been made on the account with the high bill during the freeze event.

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

Director Phelps left the meeting at this time.

11. **Report on WHCRWA monthly meeting, and related service and construction issues, including WHCRWA installation of an 84" water line through the District.** Director Worthington reported on the WHCRWA meeting and provided an update on the road projects.

12. **Discuss District website.** Director Rodriguez provided an update on the District website. He stated that the contact information for Texas Pride has been updated and that the minutes have been posted.

13. **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 there are currently 125 subscribers.

14. **Discuss recycling event and take any necessary action.** Director Worthington provided an updated on the recycling event and stated that the event is scheduled for October 23, 2021. He noted that the cost is \$950.00 plus \$0.25 per pound. 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 recycling event cost in an amount not to exceed \$5,000.00, and to authorize the President to execute any necessary agreement, if any.

15. **Review Article for DVCA Newsletter.** Director Rodriguez stated that he will prepare the article for the DVCA Newsletter.

16. **Discuss meeting format.** The President recognized Ms. Maher who stated 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. She discussed the option of hybrid meetings, and reviewed a memo from NRF regarding the meeting options after September 1, 2021, a copy of which is attached hereto as Exhibit "G." Discussion ensued. It was the consensus of the Board to hold a physical meeting for the September Board meeting.

17. **Review agenda items for next meeting (September 9, 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 September 9, 2021.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)