

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 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*") met in regular session, open to the public, at 4045 Deerfield Village Drive, Houston, Texas at 6:00 p.m. on October 13, 2021; whereupon the roll was called of the members of the Board, to wit:

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 Greer, thus constituting a quorum. Also attending all or parts of the meeting were Ms. Colleen Vera and Mr. Glenn Sommers, residents of the District; 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. Lonnie Wright and Beth Wright of Municipal Operations & Consulting, Inc. ("MOC"), operators for the District; and Ms. Jane Maher of Norton Rose Fulbright US LLP ("NRF"), attorneys for the District.

Call to Order. The President called the meeting to order and, in accordance with notice posted pursuant to law, copies of Certificates of Posting of which are attached hereto as *Exhibit A*, the following business was transacted:

1. **Public comments.** The President recognized Ms. Vera, who requested that the agendas provide more detail regarding the tax rate and presented an example agenda, a copy of which is attached hereto as *Exhibit B*. The President suggested that she also provide the example to the Board members via email and that the Board would consider the recommendation.

The President recognized Mr. Sommers, who requested that the Board provide more communication with residents regarding the tax rate. He stated that while the Board meets the legal requirements, the Board could provide better communication with residents. He noted that the August and September minutes were not opening on the District's website. He asked about the status of the Board's consideration to donate funds to the Deerfield Village Community Association's ("DVCA") security expense. The President stated that the Board has tabled the discussion.

2. **Minutes.** Proposed minutes of the meeting of September 9, 2021, previously distributed to the Board, were considered for review and approval. Upon motion by Director Phelps, 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 September 9, 2021, as revised.

3. **Public hearing on 2021 Tax Rate.** The President opened the hearing on the proposed tax rate. Ms. Vera asked why the District needs more money from taxes if the Board was willing to provide the DVCA \$85,000 for either a fence, or security, and suggested that the Board consider the tax rate and provide the \$85,000 back to the residents. The President discussed the financial and maintenance obligations of the District.

The President recognized Mr. Sommers, who discussed the assessed valuation and tax levy and asked about the difference. Ms. Rodriguez provided an explanation and reviewed the tax rate publication and tax rate study previously provided by the District's financial advisor. Discussion ensued.

Hearing no further comments, the President closed the hearing.

4. **Adopt Order Setting Tax Rate and Levying Tax for 2021.** The President recognized Ms. Maher, who presented to and reviewed with the Board the Order Setting Tax Rate and Levying Tax for 2021, a copy of which is attached hereto as *Exhibit C*. Discussion ensued.

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 adopt the Order Setting Tax Rate and Levying Tax at a total rate of \$0.1600 per \$100 assessed valuation.

5. **Approve Amended District Information Form.** The President recognized Ms. Maher, who presented to and reviewed with the board the Amended District Information Form, a copy of which is attached hereto as *Exhibit D*. She stated that because the District's tax rate has changed, an amended District Information Form to reflect the new rate needs to be approved. Upon motion by Director Worthington, seconded by Director Phelps, after full discussion and the question being put to the Board, the Board voted unanimously to approve and authorize the filing of the Amended District Information Form in the Harris County Real Property Records.

6. **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 E*.

Ms. Matuska informed the Board that F. Matuska Inc. was bought and will remain a subsidiary company. She stated that at the next meeting she would be presenting resolutions to authorize additional personnel to work on the District's accounts.

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 accept the Bookkeeper's Report, and to authorize payment of check nos. 11036 through 11064, from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

7. **Discuss TexPool Prime and take any necessary action.** Ms. Matuska discussed the differences between TexPool Prime and TexPool. She stated that the interest rates with TexPool prime are a higher and that the risk is slightly higher because the pool includes commercial paper. She noted that both TexPool Prime and TexPool have the same S&P rating. Director Phelps suggested that the Board consider opening a TexPool Prime account and moving a portion of the funds from the TexPool account. Discussion ensued.

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 opening a TexPool Prime account and all necessary paperwork and to, transfer all funds from the TexPool account into the TexPool Prime account.

8. 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 F*.

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 Tax Assessor and Collector's Report, and to authorize payment of check nos. 1321 through 1324 from the Tax Account in the amount, to the person, for the purposes listed in such report.

9. 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 G*. Mr. Wempe reported that the Water Plant Electrical Improvements project is finalized and complete. Director Phelps stated that he reviewed the operation and maintenance plan and suggest that the plant have an operating manual so that there's a procedure in place. Discussion ensued. Mr. Wempe stated that he can coordinate with MOC on creating an operating manual.

10. Review Asset Management Plan and quotes for repair to 18-inch gravity line and take any necessary action. The President recognized Mr. Wempe, who presented to and reviewed with the Board the Asset Replacement/Assessment Plan, a copy of which is attached to the Engineer's Report. Director Phelps suggested that preventative maintenance items for inflow and infiltration be included on the Asset Management Plan. Discussion ensued regarding the District's water pipes and including the pipes along with the District's fire hydrants on the Asset Management Plan. Director Phelps suggested that the Asset Management Plan be organized in order of the items that need to be prioritized. Mr. Wempe stated that he would update the Asset Management Plan.

It was the consensus of the Board to not take action on the repair to the 18-inch gravity line until more information is provided.

11. Discuss Jackrabbit Public Utility District ("Jackrabbit") matters and take appropriate action. Director Worthington stated that the Jackrabbit meeting is next week.

12. Discuss patio homes drainage and settlement issue and take appropriate action. The Board discussed the drainage issue behind the patio homes. Mr. Wright reviewed the photos of the repair to the surface drainage gate and sinkhole at 3922 Heathersage Dr., copies of which are attached to the Operations Report. Mr. Wempe stated that the agreement previously provided by the resident did not address the ownership of the dual 84-inch drainage pipes. Discussion ensued. The President stated that he would talk to NRF regarding this issue. Director Phelps left at this time.

13. Review Operations Report, authorize repairs, and authorize termination of services to delinquent accounts. The President recognized Mr. Wright, who reviewed with the Board the Operations Report, a copy of which is attached hereto as *Exhibit H*.

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

Mr. Wright reviewed the delinquent list with the Board and stated that there is one account totaling \$497.65 that will be turned over to Collections Unlimited of Texas.

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

14. **Report on WHCRWA monthly meeting, and related service and construction issues, including WHCRWA installation of an 84" water line through the District.** Director Worthington provided an update on the West Harris County Regional Water Authority ("WHCRWA") meeting and discussed the water rate schedule.

15. **Discuss District website.** Director Rodriguez provided an update on the District website. He reported that the house address was renewed and that the software was upgraded.

16. **Discuss text message notification system and take any necessary action.** Director Rodriguez stated that the text message notification system should be working.

17. **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.

18. **Review Article for DVCA Newsletter..** The President stated that he will prepare the article for the DVCA Newsletter.

19. **Consider need or insurance proposals (expires January 14, 2022).** It was the consensus of the Board to ask the District's current provider, Arthur J. Gallagher & Co., for a renewal proposal for the next meeting.

20. **Review agenda items for next meeting (November 11, 2021) and such other matters as may properly come before the board.** It was the consensus of the Board to include the insurance discussion on the next agenda.

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 November 11, 2021.

ATTEST:

President, Board of Directors

Secretary, Board of Directors

(DISTRICT SEAL)