

MINUTES OF MEETING OF BOARD OF DIRECTORS
January 11, 2024

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 January 11, 2024; whereupon the roll was called of the members of the Board, to wit:

Brent Phelps, President
Eric Worthington, Vice President
Barry Greer, Assistant Vice President
Adam Rodriguez, Secretary
Neil Polansky, Assistant Secretary

Persons Attending. All members of the Board were present. Also attending all or parts of the meeting were Mr. Bob Wempe of Pape-Dawson Engineers (“Pape-Dawson”), engineer for the District; Ms. Cara Sliva of Artesian Financial Services (“Artesian”), bookkeeper for the District; Ms. Patty Rodriguez of Bob Leared Interests (“BLI”), tax assessor and collector for the District; Mr. Keith Arrant and Mr. Ryan Vaughn of Municipal Operations & Consulting, Inc. (“MOC”), operators for the District; and Ms. Jane Maher of Norton Rose Fulbright US LLP (“NRF”), paralegal 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.** There were no public comments.
2. **Minutes.** Proposed minutes of the meeting of December 14, 2023, previously distributed to the Board, were considered for review and approval. Upon motion by Director Polansky, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meetings of December 14, 2023, as presented.
3. **Review Bookkeeper’s Report, investment report and authorize payment of bills.** The President recognized Ms. Sliva, who presented the Bookkeeper’s Report, a copy of which is attached hereto as *Exhibit B*. She reviewed the cash flow from December 15, 2023 to January 11, 2024. Director Rodriguez entered at this time. The President asked if the District can pay the WHCRWA fee via ACH. Ms. Sliva stated that she would look into it.

Upon motion by Director Worthington, seconded by Director Polansky, 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. 12221 through 12239, 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, a copy of which is attached hereto as *Exhibit C*.

Ms. Rodriguez reported that 34.6% of 2023 taxes have been collected.

Upon motion by Director Worthington, seconded by Director Rodriguez, 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. 1091 through 1093.

5. **Consider Property Tax Exemptions and take any necessary action.** Ms. Maher presented to and reviewed with the Board an Order Adopting Tax Exemption from Taxation for Individuals who are Disabled or are 65 Years of Age or Older (the "Order"), a copy of which is attached hereto as *Exhibit D*. She stated that the District currently has an exemption of \$20,000 of the appraised value of residence homesteads for individuals who are disabled or are 65 years of age or older. Discussion ensued.

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 adopt the Order, thereby adopting an exemption of \$20,000 of the appraised value of residence homesteads for individuals who are disabled or are 65 years of age or older.

6. **Adopt Resolution Authorizing Additional Penalty on Delinquent Taxes.** Ms. Maher presented to and reviewed with the Board a Resolution Authorizing Additional Penalty on Delinquent Taxes, a copy of which is attached hereto as *Exhibit E*. She reported that the revenue collected by levying this penalty is used to pay the delinquent tax attorney for the services provided to the District.

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 adopt the Resolution Authorizing Additional Penalty on Delinquent Taxes and to authorize Hal R. Gordon to enforce collection of delinquent 2023 taxes.

7. **Review Engineer's Report, Water Plant walk through, Jackrabbit Road Public Utility District ("Jackrabbit") matters, Out-of-District reviews, Asset Management Plan, and take appropriate action on engineer's recommendations.** The President recognized Mr. Wempe, who stated that there is no update on the interconnect request with Rolling Creek.

Mr. Wempe presented to and reviewed with the Board the summary of the sanitary sewer rehabilitation televising videos, a copy of which is attached hereto as *Exhibit F*. He stated that the total estimated cost for repairs is \$1,037,496.00, and noted that pipe bursting is recommended for the items in yellow. Mr. Arrant stated that he would try to find out why certain line couldn't be located. Discussion ensued regarding the items that need to be addressed first and the amount the District can spend. Discussion ensued regarding bonding authority and bond elections. The President proposed breaking up the repairs into a four year plan, based on urgency, with a budget of \$250k a year. He proposed that Mr. Arrant and Mr. Wempe coordinate to determine which repairs need to be completed first. Mr. Arrant stated that he will confirm the bill amount with the number of feet televised.

8. **Discuss emergency interconnect request with Rolling Creek Municipal Utility District ("Rolling Creek").** This item was addressed under the previous item.

9. **Discuss Jackrabbit Public Utility District (“Jackrabbit”) matters and take appropriate action.** Director Worthington reported on the Jackrabbit meeting. He stated that bid for the tract for the bridge came in higher than expected and that Jackrabbit approved the lower bid of \$1.75 million.

10. **Review Operations Report, authorize repairs, authorize termination of services to delinquent accounts, and approve consumer confidence report.** The President recognized Mr. Vaughn, who reviewed with the Board the Operations Report, a copy of which is attached hereto as *Exhibit G*. Mr. Vaughn reported on various maintenance items.

Mr. Vaughn reported the District currently has 1,079 connections.

Mr. Vaughn reported the accountability for last month is at 96%.

Mr. Vaughn reviewed a list of uncollectable and delinquent accounts. He reported that one account totaling \$285.05 would be sent 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.

11. **Review Rate Order and take any appropriate action.** It was the consensus of the Board to remove this item.

12. **Report on WHCRWA monthly meeting, and related service and construction issues, including WHCRWA installation of an 84” water line through the District.** Director Polansky reported on the WHCRWA meeting. He proposed that the Board send an emergency text regarding the upcoming freeze.

13. **Review trash and recycling operations, including consideration of pricing adjustment or contract amendment and take any necessary action.** Ms. Maher stated that Texas Pride was not able to attend the meeting tonight and that the Board can defer this item until a representative can attend. She also stated that due to the delay in receiving the contract amendment options from Texas Pride, NRF still needs to review the options. It was the consensus of the Board to defer this item.

14. **Discuss District website and text message notification system and take any necessary action.** Director Rodriguez stated that he will send out a text regarding the upcoming freeze and will also post the information on the website. He reported that he discussed the website provider regarding editing the front page of the website. He stated that the District has not paid for the maintenance of the website. He stated that the cost is \$75 every three months.

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 website maintenance fee of \$75 every three months.

15. **Review Article for DVCA Newsletter.** Director Polansky stated that he will prepare the newsletter.

16. **Review agenda items for next meeting (February 8, 2024) and such other matters as may properly come before the board.** Ms. Sliva asked the Board if they are interested in Artesian preparing a five year projection for a one-time \$150 fee. She noted that the annual fee after is \$100. Director Polansky requested that Ms. Sliva send the Board a template for the Board's reference.

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 February 8, 2024.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(DISTRICT SEAL)