

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 24, 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 October 24, 2024; whereupon the roll was called of the members of the Board, to wit:

Brent Phelps, President
Barry Greer, Vice President
Neil Polansky, Assistant Vice President
Adam Rodriguez, Secretary
Rose Montalbano, Assistant Secretary

Persons Attending. All members of the Board were present. Also attending all or parts of the meeting were Mr. Tom Gerrity, Ms. Lorelei Coffelt, Mr. Bob Shortle, Ms. Blanca Elder, Ms. Clara Harris and Ms. Raimie Hodges, residents of the District; Mr. Eric Toureilles of the Deerfield Village Community Association (“DVCA”); 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.** The President recognized Mr. Shortle, who requested that MOC look at pipe along Deerfield Village. He also discussed a request on behalf of the DVCA landscape committee regarding a flooding concern between 4008 and 4010 Heathersage. He stated that the landscape committee would like the District’s help to locate the storm sewer and potentially add drainage into the storm sewer.

The President recognized Ms. Coffelt, who asked for clarification on the delinquent process, as she received a door tag and called to pay her bill and received a cut off notice. Mr. Arrant discussed the delinquent process. He stated that MOC will look into her account. Ms. Coffelt also discussed the District having better communication with residents regarding procedures.

The President recognized Ms. Hodges, who asked about CenterPoint flyers trying to sell insurance on pipe lines. The President stated that homeowners can disregard those flyers. Ms. Hodges also asked about the election amendment. The President stated that the election amendment is for the Harris County Flood Control District.

2. **Minutes.** Proposed minutes of the meetings of September 12, 2024, 2024, previously distributed to the Board, were considered for review and approval. Upon motion by Director Polansky, seconded by Director Rodriguez, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the September 12, 2024, as presented.

3. **Public Hearing on Tax Rate for 2024.** The President opened the hearing on the proposed 2024 tax rate of \$0.15200 per \$100 assessed valuation. Ms. Coffelt asked if the tax rate increased in March of this year. The President stated that the District can only establish a tax rate once per year and he noted that the District's sewer rates increased in March 2024. He further discussed the District's operating costs and aging infrastructure.

Ms. Harris voiced her concern regarding the increase in the tax rate and how the rate is determined. Director Greer stated that the District has a financial advisor who proposes the rates for the Board to consider. Director Rodriguez stated that the District's historical tax rates are included in the Tax Assessor Report. He noted that the District historically has decreased the tax rate. Director Polansky stated that the District is debt free, however, the District will need funds to repair the aging infrastructure.

4. **Adopt Order Setting Tax Rate and Levying Tax for 2024.** The President recognized Ms. Maher, who presented to and reviewed with the Board the Order Setting Tax Rate and Levying Tax for 2024, a copy of which is attached hereto as *Exhibit B*.

Upon motion by Director Polansky, 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 \$0.15200 per \$100 assessed valuation.

5. **Approve Amended District Information Form.** The President recognized Ms. Maher, who presented to and reviewed with the Board the Amendment to Amended and Restated District Information Form (the "District Information Form"), a copy of which is attached hereto as *Exhibit C*. She reported this document is recorded in the Harris County Real Property records to provide notice to purchasers of property in the District of the current tax rate in the District. She noted that the form will also be posted on the District's website.

Upon motion by Director Montalbano, seconded by Director Rodriguez, after full discussion and the question being put to the Board, the Board voted unanimously to approve the District Information Form.

6. **Discuss proposed irrigation system at Vanbury Playground and take any appropriate action.** The President recognized Mr. Gerrity, who stated that he is the chairman of the DVCA landscape committee. He reviewed an assistance request from the landscape committee, a copy of which is attached hereto as *Exhibit D*. He stated that the request is to install irrigation at the Vanbury Drive playground. He reported that the landscape committee would like to plant trees as the playground gets extremely hot. He noted that Trees for Houston has offered to donate and assist with the planting of the trees. He stated that the donation is contingent on the landscape committee's ability to supply a reliable means of watering for the trees. Mr. Toureilles stated that the DVCA is willing to pay for the water. Mr. Gerrity reviewed an estimate of approximately \$1,500. Mr. Arrant stated that a backflow device would need to be included. Director Rodriguez requested that MOC provide an estimate for the meter and backflow device. It was the consensus of the Board to defer this item.

7. **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 E*. She reviewed the cash flow from September 13, 2024 to October 24, 2024. Director Rodriguez noted that the Director Phelps was listed twice under disbursements for fees of office and that one of them should be corrected to list Director Polansky.

Upon motion by Director Montalbano, 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. 12374 through 12392, and one ACH, from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

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, a copy of which is attached hereto as *Exhibit F*.

Ms. Rodriguez reported that 98.7% of 2023 taxes have been collected.

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 Tax Assessor and Collector's Report, to authorize payment of check nos. 1127 through 1131.

9. **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.** There was no report.

10. **Discuss emergency interconnect request with Rolling Creek Municipal Utility District ("Rolling Creek").** The President recognized Mr. Toureilles, who stated that the DVCA is still in discussions with Rolling Creek regarding the easement.

11. **Discuss Jackrabbit Public Utility District ("Jackrabbit") matters and take appropriate action.** There was no report.

12. **Review Operations Report, authorize repairs, authorize termination of services to delinquent accounts.** 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 the District currently has 1,079 connections.

Mr. Vaughn reported the accountability for last month is at 107%.

Mr. Vaughn reviewed a list of uncollectible and delinquent accounts. He reported that one account totaling \$41.59 would be sent to collections.

Mr. Vaughn stated that MOC received the invoice for the two point repairs in the amount of \$24,300.00, which MOC will provide the Pape-Dawson. It was the consensus of the Board to continue a few point repairs a month.

Discussion ensued regarding the lead and copper inventory submitted to the Texas Commission on Environmental Quality ("TCEQ").

Director Polansky discussed the District putting up signage for multiple day projects so that residents know it is the District and what project is taking place. Mr. Arrant stated that he can provide example signage.

Mr. Vaughn reviewed the security alarm summary sheet, a copy of which is attached hereto as *Exhibit H*.

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 terms of the District's Rate Order.

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

14. **Discuss recycling event and take any necessary action.** Director Montalbano reported on the recycling event.

15. **Consider need for insurance proposals (expires January 14, 2025).** The President recognized Ms. Maher, who stated that the District's insurance provider is Arthur J. Gallagher & Co. It was the consensus of the Board to ask for a renewal proposal to have by the December meeting.

16. **Review Rate Order and take any appropriate action.** Mr. Vaugh presented a rate analysis, a copy of which is attached hereto as *Exhibit I*. It was the consensus of the Board to defer this item.

17. **Discuss District website and text message notification system and take any necessary action.** Director Rodriguez reported on the website and text message notification system.

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

19. **Review agenda items for next meeting (November 14, 2024) 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 November 14, 2024.

ATTEST:

President, Board of Directors

Secretary, Board of Directors

(DISTRICT SEAL)