

MINUTES OF MEETING OF BOARD OF DIRECTORS  
August 9, 2007

THE STATE OF TEXAS  
COUNTY OF HARRIS  
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 136

The Board of Directors 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 August 9, 2007; whereupon the roll was called of the members of the Board, to wit:

Neil Polansky, President  
Jim Hewlett, Vice President  
Harry Price, Second Vice-President  
Jay Singleton, Secretary  
Barry Greer, Assistant Secretary

**Persons Attending.** All members of the Board were present. Also attending all or parts of the meeting were Ms. Cathy Falke of ECO Resources ("ECO"), operator for the District; Ms. Fran Matuska of FMatuska, Inc, bookkeeper for the District; Ms Patty Rodriguez of Bob Leared Interests ("BLI"), tax assessor and collector for the District; Mr. Robert Devillier of Turner Collie & Braden, Inc. ("TC&B"), engineers for the District, Mr. Mike McCall, auditor 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. Minutes.** Proposed minutes of the meeting of July 12, 2007, previously distributed to the Board, were considered for review and approval. Upon motion by Director Greer, seconded by Director Singleton, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting of July 12, 2007.

**2. Approve Revised Minutes of the Meeting of June 14, 2007** Action on this item postponed until the September meeting

**3. Comments from Residents.** There were no resident comments

**4 Bookkeeper's Report.** The President recognized Ms. Matuska, who presented to and reviewed with the Board the Bookkeeper's Report and the quarterly investment report, copies of which is attached hereto as Exhibit "B." Ms. Matuska noted that invoices for July had not been received from Fulbright & Jaworski or from Turner, Collie & Braden.

As required by the Public Funds Investment Act, letters of disclosure were submitted by Ms Matuska and Director Price.

Upon motion by Director Price, 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. 6355 through 6375 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

**5. Review Investment Policy, Accept Related Party Disclosures** Director Price discussed his review of the investment policy. He noted a grammatical error on page 11 and also in Attachment E incorrect references to accounting standards and to the Texas state agency that controls utility districts. He will request the District's attorney make the necessary corrections. Further action on this matter was postponed until the September meeting.

**6. Review Auditor's Management Letter.** Mr. McCall reviewed with the directors a revised draft version of a response to the management letter that is in the current District audit. Upon motion by Director Singleton, seconded by Director Hewlett, after full discussion and the question being put to the Board, the Board voted unanimously to accept the revised draft version of the response letter presented by Mr. McCall.

**7. Tax Assessor and Collector's Report.** 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." She reported that 99.5% of the 2005 taxes and 98% of 2006 taxes have been collected. She noted that the Harris County Appraisal District expects to have the tax rolls certified by September 7.

Upon motion by Director Greer, seconded by Director Price, 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. 1109 and 1110 from the Tax Account in the amounts, to the persons, and for the purposes listed in such report.

**8. Operations Report.** The President recognized Ms Falke, who presented to and reviewed with the Board the Operations Report and Delinquent List, copies of which are attached hereto as Exhibit "D".

Ms. Falke reported that during the month of May the water wells were inspected during each working day to ensure proper operation and supplied 10,895,000 gallons of water through the end of the month. The 4-month water accountability is 93%. The report included the Monthly Water Production and Accountability charts in the revised bar graph format. These charts covered the most recent billing cycle. The report also included a bar chart showing the water production for the previous calendar month. The directors agreed that only the billing cycle chart is needed. Ms. Falke will delete the calendar month chart from future reports.

Ms. Falke presented copies of 12 educational inserts designed to be mailed with the monthly billings. These inserts are printed by WHCWRA and cover water use and conservation topics. The total cost for 1000 copies of all 12 inserts is \$350.00. The directors agreed that purchasing the inserts would be worthwhile.

Upon motion by Director Greer, seconded by Director Singleton, after full discussion and the question being put to the Board, the Board voted unanimously to accept the

Operations Report, make necessary repairs, purchase the billing inserts, and terminate service to those accounts listed on the Delinquent List.,

**8. Engineers Report.** The President recognized Mr. Devillier, who presented and reviewed the Engineer's Report (Exhibit "E").

Mr. Devillier stated that he expects to have by next week the drawings for the engineered building that will house the portable generator.

Mr. Devillier stated that in September he will begin design work for the surface water connections. He noted that the surface line routing had been changed and will now run down the west side of Barker Cypress Rd. He also noted that MUD 183 is not yet receiving surface water, but is treating its well water with chloramines.

Mr. Devillier reviewed with the directors the map of the District's sewer system, annotated with locations having multiple service calls. He recommended that these locations and their adjacent lines be televised this year to assess the need for further repair work. Total footage is approximately 9000 ft. Estimated cost is \$23,500.00. He also presented a schedule for televising the remainder of the collection lines should the directors choose to do so.

Upon motion by Director Price, seconded by Director Hewlett, after full discussion and the question being put to the Board, the Board voted unanimously to accept the engineer's report and authorize the televising of the 9000ft of collection lines.

**9. WHCRWA Meeting Report.** Director Polansky attended the July meeting. He estimated that 10-12 of the approximately 40 attendees were from utility districts. During the meeting the point was made that current surface water supplies would not be sufficient to cover the estimated needs of the Authority in 2030. The Luce Bayou project was mentioned as a future source.

**10. Newsletter Article.** Director Singleton will prepare next article.

**11. Discuss Clay Road Brick Wall.** Director Singleton said he knew of some brick masons who could quote on repair of the wall. He will contact them.

**12. Review Agenda Items for Next Meeting.** In addition to the regular items, the agenda should have the approval of the revised June minutes and the review of the investment policy.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

The above and foregoing minutes were passed and approved by the Board of Directors on September 13, 2007.

\_\_\_\_\_  
President, Board of Directors

ATTEST: \_\_\_\_\_  
ASSISTANT SECRETARY, BOARD OF DIRECTORS

(DISTRICT SEAL)