

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 10, 2008

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 April 10, 2008; 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 except for Director Singleton. Also attending all or parts of the meeting were Ms. Cathy Falke of Southwest Water Company (SWWC) 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; and Mr. Robert Devillier of Turner Collie & Braden, Inc. ("TC&B"), engineers for the District and Ms. Heather De La Garza of Fulbright & Jaworski ("F&J"), 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,"

1. Minutes. Proposed minutes of the regular meeting of March 13, 2008, previously distributed to the Board, were considered for review and approval. Upon motion by Director Hewlett, seconded by Director Price, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of March 13, 2008 with a correction under Item 3 "Bookkeeper's Report" (Check Nos. 6511 through 6533).

2. Comments from Residents. There were no comments from resident taxpayers.

3. Bookkeeper's Report. The President recognized Ms. Matuska, who presented to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "B." She noted that the charges from Jackrabbit Road are somewhat higher than usual due to the inclusion of several months of utility bills. The current payment to SWWC is also somewhat higher due to their billing for installation of electrical service to the new generator building and concrete placement for the ramp at the front of this building.

Upon motion by Director Hewlett, seconded by Director Price, 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. 6534 through 6554 the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

4. 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 96.7% of the 2007 taxes and 99% of 2006 taxes have been collected.

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 approve the Tax Assessor and Collector's Report, to authorize payment of check nos. 1150 and 1157 from the Tax Account in the amounts, to the persons, and for the purposes listed in such report.

5. 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 March the water wells were inspected during each working day to ensure proper operation and supplied 12,352,000 gallons of water through the end of the month. The 4-month water accountability is 91.7%. 90-day receivables are higher than previous months.

Director Polansky asked for several changes and updates to the District's web site managed by SWWC. Ms. Falke will make the requested revisions and update additions as soon as possible.

Ms. De La Garza noted that a new State of Texas Law requires that each District with a web site must post the Energy Consumption Report on that site. Ms. Falke and Ms. Matuska will coordinate this effort to post the reports beginning with September of '07.

Upon motion by Director Hewlett, seconded by Director Price, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Operations Report, make necessary repairs, and terminate service to those accounts listed on the Delinquent List.

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

Concerning the surface water line project, Mr. Devillier pointed out that the final connection drawings will be submitted to TCEQ this week and he expects approval to be received in June. He noted the plans have been revised to reflect the City of Houston requirement for relocation of the connection of the water collection lines from the bottom to the top of the water tanks. Mr. Devillier has received a tentative indication from Mr. Wayne Ahrens with WHCRWA that they should be able to include the costs for this work as a reimbursable expense.

Mr. Devillier presented the final approved plans for WHCRWA Contract 17A, a portion of which traverses Deerfield Village and Harris County MUD No. 136 District boundaries. A discussion ensued pertaining to where and when the District residents should be notified of the proposed construction and more specifically the potential closures of pedestrian sidewalks and streets. Director Polansky reported that during his attendance at the monthly meeting of the WHCRWA, he inquired about their intentions for holding a meeting prior to the start of this construction project. WHCRWA officials responded in general terms that they would hold a meeting in advance of construction between them and all of the affected districts. They intend to hold the meeting at their offices located near the intersection of West Little York and Highway 6 North. MUD No. 136 intends to voice an objection to holding a meeting of this importance at a rather remote location and would like to have the meeting held closer to the residents possibly at Wilson Elementary School.

Mr. Devillier also addressed the possibility of displaying sanitary and water line repair information for recording purposes on the GIS maps in lieu of new drawings. Mr. Devillier was authorized to proceed with updating the GIS maps and to proceed with the repairs for Phase I.

7. Adopt Order Declaring Unopposed Candidates Elected to Office and Canceling Director's Election. 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 adopt the order declaring unopposed candidates be elected to office and canceling the May election.

8. Discuss Sewer Rates and Take Appropriate Action. Director Polansky discussed the chart presented by Ms. Falke comparing HC MUD No. 136 rates with those of a number of other nearby districts. After a brief discussion by the Board, further action on this item was tabled until the next monthly meeting.

9. Discuss Amending the 2008-2009 Budget and Take Appropriate Action. Upon a brief discussion by the Board, the Board took no action and the issue was tabled until the next monthly meeting.

10. Discuss Arbitrage Compliance and Take Appropriate Action. Ms. De La Garza presented and discussed the proposed contract with Arbitrage Compliance Specialists, Inc. Upon motion by Director Price, seconded by Director Hewlett, after full discussion by the Board, the Board voted three in favor (Price, Hewlett and Greer) and one opposed (Polansky) to approve the Contract with Arbitrage Compliance Specialists, Inc.

11. Discuss U.S. Census Bureau's Economic Census Form and Take Appropriate Action. Ms. De La Garza presented the Census Form and indicated that completion of the form is required. The form is to be completed by the District's Bookkeeper and Legal Counsel.

12. WHCRWA Meeting Report. Director Polansky noted that he attended the WHCRWA monthly meeting held on April 9, 2008. As mentioned above he questioned the WHCRWA Board about their intentions for holding a town hall meeting prior to the commencement of work on Contract 17A. Director Polansky reported on several issues from the

WHCRWA meeting. He also mentioned that he feels it would be appropriate for all or a portion of the MUD No. 136 Board to attend the next WHCRWA monthly meeting if possible.

13. Newsletter Article. Director Price will prepare next article.

14. Review Agenda Items for Next Meeting. The agenda will have the regular items plus “Discuss Sewer Rates and Take Appropriate Action”, “Discuss Amending The 2008-2009 Budget and Take Appropriate Action” and “Discuss Consumer Confidence Report and Take Appropriate Action”.

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 May 8, 2008.

President, Board of Directors

ATTEST: _____
SECRETARY, BOARD OF DIRECTORS

(DISTRICT SEAL)