

MINUTES OF MEETING OF BOARD OF DIRECTORS
April 9, 2009

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 9, 2009; 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 Director Hewlett. Also attending all or parts of the meeting were Ms. Cathy Falke of Southwest Water Company (SWWC) operator for the District; Mr. Robert Devillier of AECOM, Inc., engineers 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; residents Walt Bohn and Steve Dornak, who were representing the Deerfield Village Community Association (DVCA)Board of Directors, and boy scouts Jason Sitzman, Stephen Walther, and Zachary Anronson.

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".

Agenda Item 1. Minutes. Proposed minutes of the regular meeting of March 19, 2009, previously distributed to the Board, were considered for review and approval. 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 approve the minutes of the regular meeting of March 19, 2009. Proposed minutes of the special meeting of March 30, 2009, previously distributed to the Board, were considered for review and approval. 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 approve the minutes of the special meeting of March 30, 2009

Agenda Item 2. Comments from Residents. There were no comments.

Agenda Item 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." Ms. Falke noted that \$28,000 in Phase I sewer repairs had been charge to Valve & Maintenance. Ms. Matuska will make the correction.

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. 6781 to 6823 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

Agenda Item 4. Tax Assessor and Collector's Report. The President recognized Ms. Rodriguez, who presented to and reviewed with the Board the report, a copy of which is attached hereto as Exhibit "C". She reported that 96% of the 2008 taxes and 99% of 2007 taxes have been collected. She noted that all of the past due taxes on the Walgreens tract have been paid.

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 Tax Assessor and Collector's Report, and to authorize payment of check nos. 1206 to 1211 from the Tax Account in the amounts, and to the persons, and the purposes listed in such report.

Agenda Item 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 January the District's water wells were inspected during each working day to ensure proper operation and produced 15,028,000 gallons of water. Four-month water accountability is 90.9%. Ms. Falke also reported that the caps of the clean outs on the Walgreen's sewer line have been replaced with tamper resistant caps. She stated that the District was on interconnect with MUD 183 for 24 hours while work was being done in the water plant. The water will be replaced in kind with MUD 183. She also noted that the adjustment for Ms Perkins had been made and her name will be removed from the delinquent list.

Ms. Falke presented a draft copy of the Consumer Confidence Report. The only recommended change was to delete from the footnote on purchased water the words "to meet an increased demand". Ms Falke will make the change and requested that next month's agenda include an item to approve the report. In response to a question about tests for arsenic and barium, she stated that the State of Texas is now performing them on a seven year cycle. Since those tests were last run in 2002, they will be run some time this year.

Director Price suggested posting the Operations Report on the District's web site. After some discussion, it was agreed that the first seven pages of the Report should be posted.

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 Operations Report, make necessary repairs, make the customer account adjustment, and terminate service to those accounts listed on the Delinquent List.

Agenda Item 6. Preparation of Identity Theft Program. Ms. Falke briefly explained the Identity Theft Program that SWWC had developed. She stated that she could not, in public session, discuss details of the program in order not to compromise the security of the program. She did note that new customers will have to provide more information than previously required.

Agenda Item 8. Preparation of Water Conservation Plan. 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 approve the water conservation plan prepared by SWWC in accordance with the requirements of the West Harris County Regional Water Authority.

Agenda Item 7. Engineers Report. The President recognized Mr. Devillier, who presented the Engineers Report, a copy of which is attached hereto as Exhibit E.

He noted that the valves have been installed on the riser pipes at the Water Plant. Director Greer suggested that a tour of the plant be scheduled soon. A notice of a special meeting will be required. It was suggested that a tour of the Jackrabbit Road plant be scheduled for the same day.

Mr. Devillier confirmed that the WHCRWA reimbursement guidelines are a maximum of \$500,000 overall, and 25% for engineering costs. At this time they will reimburse a maximum of \$125,000 for chloramine conversion, but that limitation is being reviewed.

Agenda Item 9. Discuss DVCA Request Concerning Garbage Collection. Mr. Bohn, Mr. Dornak and the Directors discussed recent events concerning the possible transition of the DVCA garbage collection to the District. Mr. Bohn stated that he had found four contractors that would be willing to bill homeowners directly or give Deerfield a discount for consolidated billings. The Directors asked for more detailed information, which Mr. Bohn will get and present at the May meeting.

Agenda Item 10. WHCRWA Meeting Report. Director Price reviewed with the Directors the notes he had taken at the meeting. He stated that two MUD's had dumped large quantities of surface water as unacceptable. WHCRWA stated that the water was within specifications.

Agenda Item 11. DVCA Newsletter Article. Director Singleton will prepare next article.

Agenda Item 19. Review Agenda Items for Next Meeting. The agenda will have the regular items as well as "Review Current Rate Order and Take Appropriate Action", "Review 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 14, 2009.

President, Board of Directors

ATTEST: _____
SECRETARY, BOARD OF DIRECTORS

(DISTRICT SEAL)