

MINUTES OF MEETING OF BOARD OF DIRECTORS  
August 13, 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 August 13, 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 Price. 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; Mr. Bob Wempe of AECOM, Inc., engineers for the District; Ms. Patty Rodriguez of Bob Leared Interests (BLI), tax assessor and collector for the District, Mr. Hal Gordon, tax attorney for the District, Ms. Susan Ley of TechRadium, Inc., and residents Walt Bohn, Steve Dornak, and Bob Fahrig.

**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 3. Community Notification.** The President recognized Ms. Ley, who presented information about her company's mass communication system. The Directors will review the information and discuss it at the September meeting.

**Agenda Items 1. Minutes.** Proposed minutes of the special meeting of July 11, 2009, previously distributed to the Board, were considered for review and approval. Upon motion by Director Hewlett, 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 July 11, 2009.

Proposed minutes of the special meeting of July 16, 2009, previously distributed to the Board, were considered for review and approval. Upon motion by Director Hewlett, 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 July 16, 2009.

**Agenda Item 2. Comments from Residents.** Mr. Fahrig presented information concerning an incident in June involving discolored water at his residence. He expressed his concern that he might have ingested contaminated water. He noted that he provided a sample for testing, but had been frustrated in his efforts to get test results from SWWC. Ms. Falke apologized for the lack of response. She stated that she had seen the test results which show that there was no bacterial contamination. The water was not aesthetically acceptable, but was not a health hazard. She promised to provide to Mr. Fahrig, within 24 hours, a copy of the test results and an explanation of their meaning.

**Agenda Item 4. 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 revenues are ahead of budget due to a large consumption of water during the current dry spell.

Upon motion by Director Greer, seconded by Director Hewlett, 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. 6908 to 6934 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

**Agenda Item 5. 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 98.5% of the 2008 taxes and 99.3 % of 2007 taxes have been collected. Ms. Rodriguez presented and discussed a listing of personal property tax accounts. She noted that past due personal property taxes more than 4 years old cannot be collected and should be written off. Upon motion by Director Greer, seconded by Director Hewlett, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Tax Assessor and Collector's Report, to write off the uncollectable personal property taxes, and to authorize payment of check nos. 1230 to 1233 from the Tax Account in the amounts, and to the persons, and the purposes listed in such report.

**Agenda Item 14. Delinquent Tax Accounts.** Mr. Gordon presented a list of delinquent real property tax accounts. He identified six accounts as candidates for termination of water service. He also presented a list of delinquent personal property accounts, noting that most are for very insignificant account. The Directors discussed options for collecting these accounts, but decided not to proceed at this time. Upon motion by Director Hewlett, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted unanimously to authorize the Tax Attorney to initiate proceedings against delinquent real property tax accounts.

**Agenda Item 6. 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 July the District's water wells were inspected during each working day to ensure proper operation and produced 27,381,000 gallons of water. She noted that the one month water accountability is 96%.

Ms. Falke presented information needed to determine the physical locations of repairs to the Patio Home storm sewer system that were identified by televising the system. The Directors agreed that work should proceed on cleaning and repairing the sewers, contingent upon Director Greer's review and acceptance of a cost estimate to do the work. Ms Falke will provide the cost estimate.

Ms. Falke stated that the West Harris County Regional Water Authority(WHCRWA) is aggregating the Subsidence District Permits for all of the MUD's in the region so that they will all have the same effective dates. Other than that, nothing changes in the permitting process. She will provide the new effective date as soon as it is known. She noted that our current permit expires in November.

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

**Agenda Item 7. Engineers Report.** The President recognized Mr. Wempe, who presented the Engineer's Report, a copy of which is attached as Exhibit E. Concerning the surface water conversion project, he reported that the work to change the overflow line has been completed. Receipt of surface water could begin within a week. He noted that the work to modify the chlorination system at the Jackrabbit Plant will be completed this week.

**Agenda Item 8. DVCA Request Concerning Garbage Collection.** Mr. Bohn presented a bid from another contractor, Texas Trash. This company, headquartered in Montgomery County, is expanding into Harris County. They have the lowest rate of all bids received. In response to a question by Director Polansky, Mr. Bohn stated that he has no personal interest in any of the bidders. Mr. Bohn was requested to get contract boilerplate language from the two lowest bidders, WCA and Texas Trash, and to get as much background information as possible on Texas Trash. A subcommittee comprised of Directors Greer and Polansky will review the information.

**Agenda Item 9. Discuss Deerfield Village Drainage Ditch.** Mr. Bohn stated that the grass in the ditch had been cut and hauled away. He is following up to find out when the balance of the work will be done.

**Agenda Item 10. Review Rate Order.** No action on this item.

**Agenda Item 11. Drought Contingency Plan.** Directors Hewlett and Singleton will review the current plan and will have a proposed rewording of the plan for consideration at the next meeting.

**Agenda Item 12. Graffiti Control.** Director Singleton submitted a landscaping proposal for consideration. Since the work would be done on Randall’s property, a joint effort will be needed, similar to the fence repair work. Director Singleton will contact Randalls.

**Agenda Item 13. Electricity Agreement.** No action

**Agenda Item 15. WHCRWA Meeting Report.** Director Polansky reported that no reimbursements of surface water conversion costs were made. He noted that WHCRWA board members stated that, during times of high water demand, there will be occasions when the Authority will not be able to supply enough water to meet the demand.

**Agenda Item 16. DVCA Newsletter Article.** Director Singleton will prepare next article.

**Agenda Item 18. Review Agenda Items for Next Meeting.** The agenda will have the regular items as well as “Review Rate Order and Take Appropriate Action”, and “Review Electricity Supply Contract and Take Appropriate Action”, and “Review Procedures for Selling Subsidence District Credits 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 September 17, 2009.

Original signed by Neil M. Polansky  
President, Board of Directors

ATTEST: Original signed by John J. Singleton  
SECRETARY, BOARD OF DIRECTORS

(DISTRICT SEAL)