

MINUTES OF MEETING OF BOARD OF DIRECTORS  
September 17, 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 Singleton. Director Price arrived late for the meeting. 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, Mr. Carlin Short, Financial Advisor to the District, Ms. Heather De La Garza, Attorney for the District, residents Walt Bohn and Ms. Kathryn Daquilla, Pastor Scott Rainey who accompanied Ms. Daquilla, Representatives of Texas Trash, Joe Andress and Rick Benson, a Representative of Residential Recycling of Texas, Jerrell Wolff and Representatives of Best Trash, Mr. Matthew May and Mr. Richard May.

**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 Items 1. Minutes.** Proposed minutes of the meeting of August 13, 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 August 13, 2009.

**Agenda Item 2. Comments from Residents.** Ms. Daquilla announced that the issue to be presented to the Board had been resolved just before the call to order after a conversation with Mr. Hal Gordon, the Delinquent Tax Attorney for the District.

Walt Bohn discussed a situation pertaining to a sprinkler head that is watering MUD 136 property and he is to follow up with the DVCA Landscape Committee.

**Agenda Item 3. Review 2009 Tax Roll from the Central Appraisal District and consider the Financial Advisor's recommendation for the 2009 Tax Rate.** Mr. Carlin Short presented his recommendation for the new Tax Rate. His calculations and research indicated that the rate should remain static through the next tax year. A brief discussion ensued between the Board members and Mr. Short.

**Agenda Item 4. Adopt Order Designating Officer to Calculate and Publish Tax Rate.** A motion was made by Director Price and seconded by Director Hewlett to adopt an order designating an officer to calculate and publish the Tax Rate.

**Agenda Item 5. Community Notification.** No action was taken regarding this item.

**Agenda Item 6. 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 continue to run ahead of budget due to a large consumption of water during the continued dry spell.

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 accept the Bookkeeper's Report, and to authorize payment of check nos. 6935 to 6953 from the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

**Agenda Item 7. 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 99.3% of the 2008 taxes and 99.5 % of 2007 taxes have been collected. Mr. Hal Gordon indicated that six delinquent tax accounts have now been brought current. 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. 1234 to 1238 from the Tax Account in the amounts, and to the persons, and the purposes listed in such report.

**Agenda Item 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 July the District’s water wells were inspected during each working day to ensure proper operation and produced 25,095,000 gallons of water. She noted that the one month water accountability is 95.7%.

Ms. Falke indicated the cleaning of the Patio Home storm sewer system that were identified by televising the system would begin the week of September 21st.

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 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 9. 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 receipt of surface water has been not begun yet due to delays in installing communications by AT&T that are required by the West Harris County Regional Water Authority. He noted that Progress Payment No. 4 for W. W. Payton had been approved for their work on the MUD No. 136 water plant additions pertaining to the surface water conversion. Mr. Wempe noted that the work to modify the chlorination system at the Jackrabbit Plant has been completed.

**Agenda Item 10. DVCA Request Concerning Garbage Collection.** Mr. Matthew May presented his Company, Best Trash and provided a proposal including pricing for garbage collection services. After their presentation and exit, Representatives of Texas Trash, Mr. Joe Andress and Mr. Rick Benson came before the Board to present their Company. Mr. Andress noted that their recycling is handled by a subcontractor, Residential Recycling of Texas represented by Mr. Jerrell Wolff. Mr. Wolff presented his Companies credentials. Due to the unexpected submittal of the proposal by Best Trash, further action on this issue has been tabled until the next meeting.

**Agenda Item 11. Discuss Deerfield Village Drainage Ditch.** Mr. Bohn brought the Board up to date pertaining to when the balance of the work will be done. The remaining work should be underway shortly.

**Agenda Item 12. Review Rate Order.** A discussion ensued regarding how the change from well water to surface water should affect water charges and thus what affect should be considered with respect to the rate order.

**Agenda Item 13. 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 14. Graffiti Control.** Director Hewlett noted that a landscaping proposal for consideration is still being planned. Once again that fact that the work

would be done on Randall's property, a joint effort will be needed, similar to the fence repair work. Director Singleton is to contact Randall's.

**Agenda Item 15. Electricity Agreement.** No action

**Agenda Item 16. Discuss Selling Water Conservation Credits and Take Appropriate Action.** A brief discussion ensued after Ms. Falke indicated that she would recommend consideration to selling the credits and that she has information pertaining to potential purchasers.

**Agenda Item 17. WHCRWA Meeting Report.** No Board members attended the most recent WHCRWA meeting.

**Agenda Item 18. DVCA Newsletter Article.** Director Polansky will prepare next article.

**Agenda Item 19. 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", "Discuss Annual Insurance 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 October 8, 2009, 2009.

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

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

(DISTRICT SEAL)