

## MINUTES OF MEETING OF BOARD OF DIRECTORS

November 12, 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 November 12, 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. Also attending all or parts of the meeting were Ms. Cathy Falke of Southwest Water Company (SWWC) operator for the District; Ms. Rose Montalbano of FMataska, Inc, bookkeeper for the District; Ms. Patty Rodriguez of Bob Leared Interests (BLI), tax assessor and collector for the District, Mr. Bob Wempe of AECOM Group USA, Inc, engineers for the District, Ms. Heather De La Garza of Fulbright and Jaworski, attorney for the District, Mr. Joe Anderess and Mr. Rick Benson of Texas Trash, Inc and resident Mr. Walt Bohn,

**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 regular meeting of October 8, 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 regular meeting of October 8, 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." She noted that there are still some surface water conversion expenses that have not been paid. Director Price asked about the District prepaying the remaining bond debt. Ms De La Garza responded that the outstanding bonds are callable and the procedure was very simple. The timing depends on whether the bonds require 30 or 60 days notice. She will review the bonds to determine the requirement. Director Price suggested using the reimbursement money for the surface

water construction costs to pay for most of the bond redemption cost. Ms. Montalbano noted that our funds in TexPool are always available for immediate withdrawal. The subject of bond redemption will be on the December agenda.

Ms. Matuska presented and Director Price signed the quarterly investment report.

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 Bookkeeper's Report, and to authorize payment of check nos. 6972 to 7000 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 her report, a copy of which is attached hereto as Exhibit "C". She reported that 99.5% of the 2008 taxes and 99.6 % of 2007 taxes have been collected. She noted that the certified tax value remains at slightly more than \$156 million. She expects the final value, after the supplemental rolls are certified, to be around \$190 million. This is the amount the District's financial advisor used in developing his recommended tax rate.

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 Tax Assessor and Collector's Report, and to authorize payment of check nos. 1243 to 1248 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 October the District's water wells produced 171,000 gallons of water. 11,418,000 gallons were purchased from West Harris County Regional Water Authority (WHCRWA). She noted that the four month water accountability is 94.8%. After a brief discussion, the Directors agreed that water well #2 should not be abandoned, but should only be operated on a frequency sufficient to keep it in operating condition.

Concerning Ms. Falke's suggestion to make a tour of the WHCRWA pumping station in Jersey Village, the Directors decided to make the tour on November 21 along with a tour of the surface water installation at the water plant. Ms De La Garza will issue the appropriate meeting notice.

Ms. Falke presented pricing for replacement of the chlorine room doors. The Directors elected to go with steel doors at a cost of \$4850, rather than fiberglass doors at a cost of \$10,695.

Ms Falke presented a proposal from M Services to repair an electrical line severed when SWWC was working in the Patio Home area. Director Polansky noted that the

proposal included upgrading the electrical circuit by putting the wire in conduit. He stated that the District is not responsible for upgrading the circuit. The Directors agreed that, while the District is not responsible for damaging unmapped or unmarked utility lines, it would agree to put the electrical line back into its former condition and, in addition, enclosing the line splice in a waterproof junction box. In the interest of expediting the repairs, the Directors appointed Director Polansky to work with the Deerfield Village Community Association (DVCA) and SWWC and authorize the appropriate repairs.

Upon motion by Director Hewlett, seconded by Director, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Operations Report, to make necessary repairs, including installation of new steel doors in the chlorine room, to authorize Director Polansky to approve as he deems appropriate the repairs to the electrical circuit in the Patio Home area, and to terminate service to those accounts listed on the Delinquent List.

**Agenda Item 6. Engineers Report.** The President recognized Mr. Wempe, who reviewed the Engineer's report, a copy of which is attached as Exhibit E. Mr. Wempe noted an error in the report. Universal Coatings is the low bidder on the painting of the hydrotanks. He said that the plan is to paint one tank at a time and work will begin within 30 days. He estimated the inspection cost to be around \$5,500. Director Polansky asked if the scope of inspection work included testing the integrity of the tanks' steel shell. Mr. Wempe will get confirmation that it does. Mr. Wempe stated the work will also be done to touch up the paint of the overflow pipe. Once that is done, he will develop a final estimate on payments due the contractors. At that point, the District can apply to WHCRWA for construction cost reimbursement. He has been advised by WHCRWA's engineer that reimbursement normally takes 30-60 days.


**Agenda Item 7. DVCA Request Concerning Garbage Collection.** Ms. De La Garza summarized the provisions of the proposed contract between the District and Texas Trash, Inc. She noted that she had previously reviewed the contract to insure that there were appropriate provisions for renewal or cancellation of the contract. Director Polansky asked if Texas Trash would be willing to split the cost of legal services that the District incurred in preparing the contract. Mr. Andress said that he and Mr. Benson would discuss this with their other partner. If there is agreement on this point, Ms. De La Garza will include it when she prepares the final contract wording. The Directors agreed that Director Polansky should be person acting on behalf of the District in finalizing the agreement, which the Directors will ratify at the December meeting.


Upon motion by Director Price, seconded by Director Greer, after full discussion and the question being put to the Board, the Board voted 4 in favor, 1 against, to approve the agreement with Texas Trash to begin garbage collection in Deerfield Village, effective February 1, 2010 at the contract rates agreed to and to authorize Director Polansky to act on the District's behalf in finalizing the contractual agreement.

**Agenda Item 19. Review Agenda Items for Next Meeting.** The agenda will include, in addition to the same items in this month's agenda, "Election of Officers" and "Review Current Insurance Policy and Take Appropriate Action", "Discuss Bond Redemption 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 December 10, 2009.

  
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President, Board of Directors

ATTEST:   
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SECRETARY, BOARD OF DIRECTORS

(DISTRICT SEAL)