

MINUTES OF MEETING OF BOARD OF DIRECTORS

December 10, 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 December 10, 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 for Director Singleton. Also attending all or parts of the meeting were Ms. Cathy Falke, Mr. David Hernandez and Mr. Scott Spidle 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. Bob Wempe of AECOM Group USA, Inc, engineers for the District, Mr. Parks Cobb of SYR Solutions.

**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 November 12, 2009 and the special meeting on November 21, 2009, previously distributed to the Board, were considered for review and approval. 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 minutes of the regular meeting of regular meeting of November 12, 2009 and the special meeting on November 21, 2009.

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

**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 the current transactions include a transfer of maintenance tax to Texpool.

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. 7002 to 7040 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 9.426% of the 2009 taxes versus 9.871% at this time last year. In addition, she reported that 99.5 % of 2008 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 accept the Tax Assessor and Collector's Report, and to authorize payment of check nos. 1249 to 1251 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 November the District's water wells produced 37,000 gallons of water. 10,613,000 gallons were purchased from West Harris County Regional Water Authority (WHCRWA). She noted that the four month water accountability is 93.2%.

Ms. Falke presented a "Water Quality Noncompliance Notification" form pertaining to the Jackrabbitt P.U.D. Sewage Treatment Plant. The notification was in reference to a "Reportable Effluent Violation" that took place on August 25, 2009. The form is to be submitted to the TNRCC and TCEQ. According to comments on the form, the violation did not pose any "Potential danger to human health and safety or the Environment".

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 Operations Report, to make necessary repairs, 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 presented the Preliminary Engineering Report for work on the Jackrabbitt Road Public Utility District for Phase IV of the Capital Improvement program. The estimated cost is \$2,093,000 that will result in an estimated prorated cost to MUD No. 136 of \$205,114. The estimate at this point, however, does not include related Engineering costs.

Mr. Wempe also discussed the proposed painting program for the HP Tanks at the water plant. He has received an estimate of \$4,600 from Universal Coatings for the addition of painting the booster pumps and associated piping. It was agreed that this added work would be addressed as a change order to the Contract with Universal Coatings. Mr. Wempe again stated that once the painting program is complete including touch-up to the overflow pipe 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 from the time of submittal.

**Agenda Item 7. Discuss Maintenance of Deerfield Village Drainage Ditch and Take Appropriate Action;** No action taken.

**Agenda Item 8. Review Rate Order.** No action taken.

**Agenda Item 9. Drought Contingency Plan.** No action taken.

**Agenda Item 10. Graffiti Control.** Director Singleton has had further contact with the Randall's Representative. The Representative indicated that they would cooperate and begin painting of the fence and landscape maintenance along this area of the site.

**Agenda Item 11. Discuss Selling Water Conservation Credits and Take Appropriate Action.** No action taken.


**Agenda Item 12. Article for DVCA Newsletter.** Director Polansky will prepare the next article.

**Agenda Item 13. Discuss Insurance Renewal (Renews January 14, 2010).** Several insurance proposals were received by the Board since the previous month's meeting. Various aspects of the proposals were discussed by the Board members present. 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 proposal from Highpoint Insurance Group, LLC.

**Agenda Item 14. Review Agenda Items for Next Meeting.** Item No. 7 will be removed from the agenda and several new items will be added for discussion and consideration at the next regularly scheduled meeting. These will include "Review Universal Coatings Change Order and Take Appropriate Action", "Discuss Electrical Service Contract and Take Appropriate Action", "Discuss Community Notification Strategies and Take Appropriate Action", "Discuss Bond Redemption and Take Appropriate Action" and "Discuss WHCRWA Meeting Report".

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 January 14, 2009.

  
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President, Board of Directors

ATTEST:   
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SECRETARY, BOARD OF DIRECTORS

(DISTRICT SEAL)