

MINUTES OF MEETING OF BOARD OF DIRECTORS
October 9, 2008

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 October 9, 2008; 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 directors Greer and Singleton. 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; Ms Patty Rodriguez of Bob Leared Interests ("BLI"), tax assessor and collector for the District; and Mr. Robert Devillier of Turner Collie & Braden, Inc. ("TC&B"), engineers for the District.

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,"

1. Acting Secretary. Upon motion by Director Price, seconded by Director Polansky, after full discussion and the question being put to the Board, the Board voted unanimously to approve the appointment of Director Hewlett as acting secretary due to the absence of the Secretary and Assistant Secretary.

2. Minutes. Proposed minutes of the regular meeting of September 24, 2008, 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 September 24, 2008.

3. Comments from Residents. There were no comments from residents.

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." Notable included \$104,740 for the replacement of the pump for well #1. She also noted the current interest rate of 2.4%.

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. 6663 to 6691 the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

5. Tax Assessor and Collector's Report. The President recognized Ms. Rodriquez who presented to and reviewed with the Board the report, a copy of which is attached hereto as Exhibit "XX", She reported that 97.6% of the 2007 taxes and 98.6% of 2006 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, to authorize payment of check nos. 1178 to 1180 from the Tax Account in the amounts, and to the persons, and the purposes listed in such report.

6. Public Hearing on 2008 Tax Rate. The hearing opened and subsequently closed with no comments.

7. Adopt Order Setting Tax Rate. The President recognized Ms. Rodriguez, who presented to and reviewed with the Board the affidavit indicating the public notice of the recommended tax rate in the Houston Chronicle.

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 tax rate.

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 September the district the water wells were inspected during each working day to ensure proper operation and purchased 1,008,000 gallons of water from HCMUD183. Four-month water accountability is 93.7%. The 2008 water valve and sanitary sewer manhole surveys will begin soon.

Pictures of a rust-degraded stairway hatch at lift station #2 were presented. She recommended the board consider replacement due to unstable hinges. The board will take the issue under advisement.

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, make necessary repairs, and terminate service to those accounts listed on the Delinquent List.

9. Engineers Report. The President recognized Mr. Devillier, who presented and reviewed the Engineer's Report (Exhibit "E").

Concerning the surface water line project, Mr. Devillier received a conditional letter of acceptance from TCEQ. TCEQ requires a larger chemical storage tank than originally designed. He will submit a recommendation at the November board meeting.

Mr. Devillier stated that WHCRWA awarded Contract 20 with an estimated completion date of July 2009. Progress on Contract 17 continues with the completion of underground work between Windsong and Barker Cypress; remaining work includes surface repairs to sidewalks, fences and turf.

Mr. Devillier stated that Alsay completed pump installation to well #1 with an expected restart to the well by October 11. Additionally, Mr. Devillier informed the board that TCB has officially changed names to AECOM.

10. Review Jackrabbit Road Contract and Take Appropriate Action. No action taken.

11. Review Tax Assessor and Collector records. No action taken.

12. WHCRWA Meeting Report. No report.

13. DVCA Newsletter Article. Director Polansky will prepare next article.

14. Review Agenda Items for Next Meeting. The agenda will have the regular items plus “Review the Tax Assessor-Collector Contract”, “Review the Jackrabbit Road Contract”, and “Review effective date of pass through for increased WHCRWA pumpage fees.”

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 November 13, 2008.

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

ATTEST: Original Signed by J. J. “Jay” Singleton
SECRETARY, BOARD OF DIRECTORS

(DISTRICT SEAL)