

MINUTES OF MEETING OF BOARD OF DIRECTORS
November 13, 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 November 13, 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. 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; Mr. Robert Devillier of AECOM, engineers for the District, and residents Skip Callahan and Don Duhrkopf.

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. Minutes. Proposed minutes of the regular meeting of October 9, 2008, previously distributed to the Board, were considered for review and approval. Upon motion by Director Singleton, 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 October 9, 2008.

2. Comments from Residents. Messrs. Callahan and Duhrkopf spoke to the Board concerning plans to install bike trails in the area and asked if MUD 136 would be willing to support the plan financially. Director Polansky responded that the Board is open to the idea, but would need to receive a specific proposal before taking any action

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 some of the footnotes on the Statement of Revenues and Expenditures are off by one line. Footnotes 6 through 12 should each be moved down one line. Among the expense items is a charge of \$400.66 from CenterPoint Energy. The monthly charge normally is around \$40.00. She stated that she would hold the payment, question CenterPoint about the charge, and report back to the Directors by email.

The Directors discussed the \$350,000.00 balance remaining in the Surface Water Construction account. Mr. Devillier stated that the balance amount will be sufficient to cover construction charges incurred in the current fiscal year.

Upon motion by Director Greer, seconded by Director Price, 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. 6694 to 6712 the General Operating Fund in the amounts, to the persons, and for the purposes listed in the Bookkeeper's Report.

4. 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, since there were no delays in sending out tax bills this year, payments for 2008 taxes are already being received. She also noted that 97.8% of the 2007 taxes and 98.8% of 2006 taxes have been collected.

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 accept the Tax Assessor and Collector's Report, to authorize payment of check nos. 1181 to 1184 from the Tax Account in the amounts, and to the persons, and the purposes listed in such report.

5. Consider and Approve Federal Tax Requirements for Tax Exempt Bonds. 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 procedures and guidelines regarding post-issuance compliance with Federal Tax Requirements Applicable to Tax-Exempt Bonds

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 October the district the water wells were inspected during each working day to ensure proper operation and produced 875,000 gallons of water. The District also purchased 7,436,000 gallons from HCMUD183. Four-month water accountability is 94.5%. She included in her report a copy of a letter from TCEQ concerning tank inspections and stated that the inspections would be done in November.

Concerning the damaged fence along Barker Cypress, Ms. Falke noted that the damaged section of fence is between the outer and inner driveway fences. So, the perimeter security is still intact. She contacted Fencrete about repairs and was told that facilities with compromised security are being handled first. Then they will work on situations such as ours afterwards. No time frame was given.

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

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

Concerning the TCEQ requirement for a larger chemical storage tank than the one originally designed, the design has been changed to meet the requirement. Since the larger tank will not fit through the building door, Mr. Devillier recommended accessing the location for the tank by lifting the building.

Mr. Devillier stated that WHCRWA has awarded Contract 20 and the work should start in January, 2009. Concerning Contract 17 he noted that only minor work remains to be done. Director Polansky stated that complaints are being received from residents about the condition of the worksite. Mr. Devillier will contact the Authority's engineer to discuss corrective action. The Directors will be attending the Authority's town hall meeting on November 25, and will raise this issue if necessary. Director Singleton will request the District's attorney to post a special meeting notice for November 25.

Mr. Devillier presented a proposal from Universal Landscape Services to regrade the swale along the Water Plant access road. After a brief discussion, the Directors agreed to accept the proposal.

Upon motion by Director Greer, seconded by Director Price, after full discussion and the question being put to the Board, the Board voted unanimously to accept the Engineer's report and authorize the regrading of the Water Plant road swale by Universal Landscape Services.

8. Review Jackrabbit Road Contract. No action taken. To be removed from meeting agenda.

9. Review Tax Assessor Contract. No action. To be removed from meeting agenda.

10. Review WHCRWA Effective Date of Tax Rate. Ms. Matuska, in her report, called the Directors attention to footnote 21 concerning WHCRWA EXPENSE. She noted that the fee will increase in January. The Directors discussed notification to residents and how the notice should be worded. Ms. Falke will prepare a draft of the notice and provide it to the Directors for comment.

11. WHCRWA Meeting Report. No report.

12. DVCA Newsletter Article. Director Singleton will prepare next article.

13. Review Agenda Items for Next Meeting. The agenda will have the regular items.

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 11, 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)