

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36,  
OF HARRIS COUNTY, TEXAS

Minutes of Meeting of Board of Directors  
August 12, 2021

The Board of Directors ("Board") of Harris County Municipal Utility District No. 36, of Harris County, Texas ("District"), met in regular session on August 12, 2021, in accordance with the duly posted notice of meeting. The meeting was held via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the temporary suspension of various provisions thereof effective March 16, 2020, by the Governor of Texas in accordance with the Texas Disaster Act of 1975, all as related to the Governor's proclamation on March 13, 2020, certifying that the COVID-19 pandemic poses an imminent threat of disaster and declaring a state of disaster for all counties in Texas. The roll was called of the duly constituted officers and members of the Board, as follows:

Chris Mayeu	President
Gina Angulo	Vice President
George Peckham	Secretary/Treasurer
Rose Mary Bundscho	Assistant Secretary

and all of said persons were present, with the exception of Director Angulo, thus constituting a quorum.

Also attending the meeting via telephone conference call were Keith Arrant of Municipal Operations & Consulting, Inc. ("Municipal Operations"); Arturo Cornejo of Municipal Accounts & Consulting, L.P. ("MA&C"); Eric Johnson of IDS Engineering Group ("IDS"); Tim Spencer of Ad Valorem Appraisals, Inc. ("Ad Valorem"); John Elder of Acclaim Energy Advisors ("Acclaim"); and Daniel Ringold, Justin Cox and Peyton Ellis of Schwartz, Page & Harding, L.L.P. ("SPH").

**EXPLANATION OF TELEPHONE CONFERENCE MEETING PROCEDURES**

Mr. Ringold explained to all in attendance the requirements of the Texas Open Meetings Act, as modified by the Governor's Disaster Proclamation, relative to the conduct of meetings by telephone. In connection therewith, he informed the participants that the meeting would be recorded, and requested that each participant clearly state his or her name before speaking, including when making or seconding a motion. Mr. Ringold further explained that a roll call vote will be taken for all motions and requested that Board members vote with a verbal indication of being in favor of, opposed to, or abstaining from voting on the motion when his or her name is called. Similarly, Mr. Ringold stated that a full roll call of all participants would be conducted at the start of the meeting for attendance purposes. Mr. Ringold proceeded to perform a roll call to establish attendance of Board members, consultants, development representatives, and members of the public, if any.

Following such roll call, the President called the meeting to order and declared it open for such business as might regularly come before the Board.

## **PUBLIC COMMENTS**

There being no members of the public present on the call, the Board continued to the next item of business.

## **MINUTES OF MEETING**

The Board considered approval of the minutes of its meeting held on July 8, 2021. After discussion, Director Peckham moved that the minutes of the meeting held on July 8, 2021, be approved as presented. Director Bundscho seconded said motion, which unanimously carried.

## **BOOKKEEPER'S REPORT**

Mr. Cornejo presented to and reviewed with the Board a Bookkeeper's Report dated August 12, 2021, including a listing of the checks presented for payment. A copy of such Bookkeeper's Report is attached hereto as **Exhibit A**. Mr. Cornejo advised that a draft budget for the fiscal year ending September 30, 2022, is attached to the Bookkeeper's Report for review and comment by the Board of Directors and District consultants. Following discussion, it was moved by Director Peckham that said report be approved, and that the disbursements identified therein be approved for payment. Director Bundscho seconded the motion, which unanimously carried.

## **ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER; ADOPTION OF RESOLUTION AND AMENDED ORDER IN CONNECTION THEREWITH**

The Board next considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy") and the adoption of a Resolution in connection therewith. Mr. Ringold presented and reviewed with the Board a Memorandum summarizing SPH's recommended changes to the District's Investment Policy and form of Collateral Security Agreement specified thereby and attached thereto. A copy of the Memorandum is attached hereto as **Exhibit B**. Mr. Ringold then presented for the Board's review an amended Investment Policy and a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"), copies of which are attached hereto as **Exhibit C**. Following discussion of the matter, Director Peckham moved that (i) the amended Investment Policy be approved to reflect the proposed changes as discussed, (ii) the Board adopt the Resolution, and (iii) the President and Secretary be authorized to execute the Investment Policy and the Resolution on behalf of the Board and the District. Director Bundscho seconded said motion, which unanimously carried.

## **TAX ASSESSOR-COLLECTOR'S REPORT**

Mr. Spencer presented to and reviewed with the Board a written Tax Collector's Report regarding tax collections within the District for the month ended July 31, 2021, including a list of bills and charges to be paid out of the District's Tax Account, a copy of which is attached hereto as **Exhibit D**. Following discussion, Director Peckham moved that the Tax Collector's Report

and the disbursements reflected therein be approved. The motion was seconded by Director Bundscho and unanimously carried.

### **DELINQUENT TAX COLLECTIONS REPORT**

Mr. Ringold advised that a Delinquent Tax report was not received this month from the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins, & Mott, L.L.P. ("Perdue").

### **RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2021 TAX RATE**

The Board considered the financial advisor's recommendation concerning the District's proposed 2020 maintenance tax rate and authorizing (a) the required notice that the Board will consider adoption of a tax rate; and (b) the means of providing such notice. In connection therewith, Mr. Ringold requested that the Board defer consideration of a 2021 tax rate recommendation until the Board's next meeting, as Harris County Appraisal District has not yet released the 2021 certified rolls.

### **OPERATIONS REPORT**

Mr. Arrant presented to and reviewed with the Board a written Operations Report for the month of June 2021, a copy of which is attached hereto as **Exhibit E**.

Mr. Arrant advised the Board of correspondence received from the City of Houston (the "City") regarding a fee increase in water and sewer rates, effective as of September 1, 2021. In connection therewith, Mr. Arrant advised the Board that he is communicating with the City to determine how the requested fee increase will affect the District as part of the City's Groundwater Reduction Plan, if at all. Following discussion, the Board concurred to consider an adjustment to the District's Rate Order in connection with the fee increase at the Board's September meeting.

### **DISCUSSION REGARDING GENERATOR PERFORMANCE DURING WINTER STORM URI**

Mr. Elder provided the Board with an update relative to the performance of the District's generator at its Water Plant during Winter Storm Uri (the "Storm"). In connection therewith, Mr. Elder advised the Board that the settlement amount owed to the District by ERCOT is calculated through the District's meter readings. He further advised that ERCOT was unable to identify the amount of power exported from the generator through the District's meter readings, and that Acclaim is in the process of formally protesting ERCOT's refusal to acknowledge and distribute the funds owed to the District. Director Mayeu requested documentation showing the equipment that the District currently has in place and that everything is running properly.

## **ENGINEER'S REPORT**

Mr. Johnson presented to and reviewed with the Board a written Engineer's Report dated August 12, 2021, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit F**.

In connection with the Phase I Wastewater Collection System Rehabilitation, Mr. Johnson presented to and reviewed with the Board Pay Application No. 1 in the amount of \$372,166.20 and requested approval of payment of same. A copy of said pay estimate is included in **Exhibit F**. Following discussion, Director Peckham moved to approve the payment of Pay Application No. 1 in the amount of \$372,166.20 to Texas Pride Utilities. Director Bundscho seconded the motion, which unanimously carried.

In connection with the Phase II Wastewater Collection System Rehabilitation (the "Rehabilitation"), Mr. Johnson advised the Board that IDS has drafted the construction contract and specifications for the project, and requested that the Board authorize IDS to advertise for bids of the Rehabilitation. Following discussion of the matter, Director Peckham moved to authorize IDS to advertise for bids of the Rehabilitation. Director Bundscho seconded the motion, which unanimously carried.

## **ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2021 TAX YEAR**

Mr. Ringold next addressed the Board concerning the new tax rate adoption procedures for special districts implemented last year under Senate Bill 2. Mr. Ringold noted that the procedures applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" under Texas Water Code Section 49.23602. Mr. Ringold then reviewed with the Board a worksheet completed by IDS to assist the Board in making this determination, a copy of which is attached hereto as **Exhibit G**. Following discussion, upon motion made by Director Peckham, seconded by Director Bundscho, and unanimously carried, the Resolution Concerning Developed District Status for the Tax Year 2021 attached hereto as **Exhibit G** determining that the District shall not be considered a Developed District was adopted by the Board.

## **RECORDS MANAGEMENT OFFICER'S REQUEST TO DESTROY MEETING NOTES**

The Board considered a request from the District's Records Management Officer to destroy SPH's notes of Board meetings from the District's February 13, 2020, meeting through its February 11, 2021, meeting. A copy of said request is attached hereto as **Exhibit H**. Following discussion on the matter, Director Peckham moved that the destruction of said notes be authorized as requested in accordance with the provisions of the District's Records Management Program. Director Bundscho seconded said motion, which unanimously carried.

## **DEVELOPER REPORT**

The Board deferred discussion of the Developer Report, as no developer was present at the meeting.

**ATTORNEY'S REPORT**

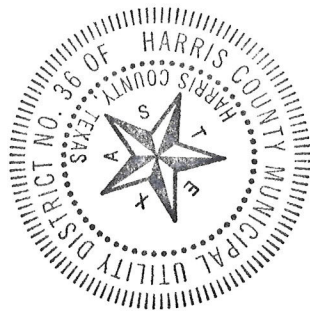
The Board next considered the Attorney's Report. In connection therewith, Mr. Ringold presented and reviewed with the Board a memorandum prepared by SPH concerning House Bill 1154, which bill relates to the requirements of internet websites developed by certain special purpose districts. A copy of the memorandum is attached hereto as **Exhibit I**. Mr. Ringold summarized the bill's requirements and options for the District's compliance with same. Following discussion, the Board requested that SPH obtain proposals for the creation of a District website to satisfy the requirements of House Bill 1154 for review and discussion at next month's meeting.

**FUTURE AGENDA ITEMS**

The Board did not request any items be placed on future agendas other than regular and on-going items.

**ADJOURNMENT**

There being no further business to come before the Board, upon motion made by Director Peckham, seconded by Director Bundscho and unanimously carried, the meeting adjourned.



  
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Secretary, Board of Directors

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36,  
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LIST OF ATTACHMENTS TO MINUTES

- Exhibit A - Bookkeeper's Report
- Exhibit B - Memorandum regarding Annual Review and Proposed Revisions to Investment Policy
- Exhibit C - Amended Investment Policy and Resolution Regarding Review of Investment Policy
- Exhibit D - Tax Assessor-Collector's Report
- Exhibit E - Operations Report
- Exhibit F - Engineer's Report
- Exhibit G - Resolution Concerning Developed District Status for 2021 Tax Year
- Exhibit H - Records Destruction Request
- Exhibit I - Memorandum regarding Implementation of H.B. 1154