

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

Minutes of Meeting of Board of Directors  
February 10, 2022

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 36, of Harris County, Texas (the "District"), convened in regular session, open to the public, on February 10, 2022, at 12:00 noon, at 1300 Post Oak Boulevard, Suite 2500, Houston, Texas, and the roll was called of the duly constituted officers and members of the Board, to-wit:

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

and all of said persons were present, thus constituting a quorum.

Also present were Keith Arrant of Municipal Operations & Consulting, Inc. ("Municipal Operations"); Rahi Patel of Municipal Accounts & Consulting, L.P. ("MA&C"); Eric Johnson of IDS Engineering Group ("IDS"); Tim Spencer of Ad Valorem Appraisals, Inc. ("Ad Valorem"); and Eric Lai and Peyton Ellis of Schwartz, Page & Harding, L.L.P. ("SPH").

The President called the meeting to order and declared it open for such business as might regularly come before it.

**PUBLIC COMMENT**

There were no comments received from the public.

**MINUTES OF MEETING**

The Board considered approval of the minutes of its meeting held on January 13, 2022. After discussion, Director Angulo moved that the minutes of the meeting held on January 13, 2022, be approved as presented. Director Bundscho seconded said motion, which unanimously carried.

**BOOKKEEPER'S REPORT**

Mr. Patel presented to and reviewed with the Board a Bookkeeper's Report dated February 10, 2022, including checks presented for payment. A copy of such Bookkeeper's Report is attached hereto as **Exhibit A**. Following discussion, it was moved by Director Angulo that said report be approved, and that the disbursements identified therein be approved for payment. Director Bundscho seconded the motion, which unanimously carried.

Mr. Patel presented to and reviewed with the Board a Quarterly Investment Inventory Report ("Investment Report") which had been prepared by MA&C for the reporting period ended December 31, 2021, a copy of which is attached to the Bookkeeper's Report. Following review of the subject Investment Report and upon motion duly made by Director Angulo, seconded by Director Bundscho and unanimously carried, said Investment Report was approved and the District's Investment Officer was authorized to execute same on behalf of the Board and the District.

### **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 January 31, 2022, 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 B**. Following discussion, Director Angulo 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. Lai 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").

### **OPERATIONS REPORT**

Mr. Arrant presented to and reviewed with the Board a written Operations Report for the month of December, 2021, a copy of which is attached hereto as **Exhibit C**. In connection therewith, Mr. Arrant requested that Municipal Operations be given authorization to write off one (1) account totaling \$7.69 as uncollectible. Following discussion, Director Angulo moved that Municipal Operations be authorized to write off the account totaling \$7.69, as described on the uncollectible account list attached to the Operations Report. Director Bundscho seconded said motion, which unanimously carried.

### **REVIEW OF ANNUAL SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS**

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Lai reported that SPH and IDS are recommending that the District adopt the applicable United States Department of Labor ("DOL") wage rate scales, as permitted under Section 2258.022 of the Texas Government Code. After discussion on the matter, Director Angulo moved that the applicable DOL wage rate scales be adopted as the District's prevailing wage rate scale for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects attached hereto as **Exhibit D** be adopted by the Board. Director Bundscho seconded said motion, which unanimously carried.

**RENEWAL OF DISTRICT'S INSURANCE COVERAGES AND AUTHORIZE SOLICITATION OF PROPOSALS FOR SAME**

The Board considered the renewal of the District's insurance coverages. In that regard, Mr. Lai presented to and reviewed with the Board a renewal proposal received from the District's current insurance carrier, Arthur J. Gallagher & Co. ("Gallagher"), a copy of which is attached hereto as **Exhibit E**. After discussion of the insurance proposal submitted by Gallagher, Director Angulo moved to approve said proposal for the District's Property, Boiler and Machinery, General Liability/Hired & Non-Owned Auto, Pollution Liability, Umbrella Liability, Directors and Officers, Public Employee Blanket Crime, Business Travel Accident, Tax Assessor-Collector Bond, and Directors Bond insurance policies. Director Bundscho seconded said motion, which carried unanimously.

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

Mr. Lai and Director Mayeu advised that they had nothing new to report regarding the status of the District's receipt of revenue for operation of the District's generator at its Water Plant during Winter Storm Uri.

**ENGINEER'S REPORT**

Mr. Johnson presented to and reviewed with the Board a written Engineer's Report dated February 10, 2022, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit F**.

Mr. Johnson advised the Board of a phone call received from a representative of Abaco Drilling Technologies ("ADT"), a drilling company located within the District. He advised that ADT is utilizing a new piece of equipment to cut rubber and plans to allow the equipment to discharge into the District's sanitary sewer system. Mr. Lai advised that he would conduct research to determine if discharging into the District's sanitary sewer system could present any potential issues. Following discussion, Director Mayeu requested that Municipal Operations collect a sample of the equipment's discharge to confirm that it is not harmful to the District's sanitary sewer system.

**ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2022 TAX YEAR**

Mr. Lai next addressed the Board concerning the tax rate adoption procedures for special districts implemented under Senate Bill 2. Mr. Lai 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. Lai 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 Angulo, seconded by Director Bundscho, and unanimously carried, the Resolution Concerning Developed

District Status for the Tax Year 2022 attached hereto as **Exhibit G** determining that the District shall not be considered a Developed District was adopted by the Board.

### **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. Arrant presented to and reviewed with the Board a Second Amendment to Professional Services Agreement between the District and Municipal Operations (the "Amendment"), and an Amended Attachment "A" (the "Rate Schedule"), copies of which are attached hereto as **Exhibit H**. Mr. Arrant advised the Board that Municipal Operation has amended its Rate Schedule to increase the hourly rates for labor, equipment, water taps and inspections. Following review and discussion, Director Angulo moved to approve the Amendment and authorize the President and Secretary to execute same on behalf of the Board and the District. Director Bundscho seconded the motion, which unanimously carried.

Mr. Arrant next presented to and reviewed with the Board correspondence received from K-3BMI, the District's sludge hauling services provider, advising the Board of an increase in sludge hauling fees from \$0.05 per gallon to \$0.07 per gallon. A copy of said correspondence is attached hereto as **Exhibit I**. Mr. Arrant advised the Board that he will obtain quotes from other sludge hauling companies for discussion at the Board's next 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 Angulo, seconded by Director Bundscho and unanimously carried, the meeting adjourned.



  
Secretary, Board of Directors

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

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A - Bookkeeper's Report
- Exhibit B - Tax Collector's Reports
- Exhibit C - Operations Report
- Exhibit D - Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit E - Arthur J. Gallagher & Co. Insurance Proposal
- Exhibit F - Engineer's Report
- Exhibit G - Resolution Concerning Developed District Status for 2022 Tax Year
- Exhibit H - Second Amendment to Professional Services Agreement between the District and Municipal Operations and Amended Attachment "A"
- Exhibit I - Correspondence received from K-3BMI

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