

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

Minutes of Meeting of Board of Directors
March 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 March 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 Daniel Ringold, 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 February 10, 2022. After discussion, Director Angulo moved that the minutes of the meeting held on February 10, 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 March 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.

UNCLAIMED PROPERTY

The Board considered authorizing certain District consultants to research the District's accounts for unclaimed property and authorizing the District's bookkeeper to prepare an Unclaimed Property Report as of March 1, 2022. Mr. Lai advised the Board that the District's operator and tax assessor-collector, in addition to the bookkeeper, will review their records and provide the bookkeeper with a current listing of any unclaimed property in the District's accounts for preparation of the Unclaimed Property Report. He further advised the Board that the District's bookkeeper will file the report with the Comptroller of Public Accounts by July 1st and escheat any unclaimed funds to the State of Texas. After discussion on the matter, Director Angulo moved that the District's operator and tax assessor-collector, in addition to the bookkeeper, be authorized to provide current listings of any and all unclaimed property to the bookkeeper, and that, should any unclaimed property exist, the bookkeeper be authorized to timely file an Unclaimed Property Report with the Comptroller of Public Accounts. 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 February 28, 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

In connection with the District's delinquent tax collections, Mr. Lai presented to and reviewed with the Board a written Delinquent Tax Report provided by Perdue, Brandon, Fielder, Collins, & Mott, L.L.P., dated March 10, 2021, a copy of which is attached hereto as **Exhibit C**. He noted that there were no items on the report requiring action by the Board at this time.

OPERATIONS REPORT

Mr. Arrant presented to and reviewed with the Board a written Operations Report for the month of January, 2022, a copy of which is attached hereto as **Exhibit D**. In connection therewith, Mr. Arrant requested that Municipal Operations be given authorization to write off two (2) accounts totaling \$287.60 as uncollectible. Following discussion, Director Angulo moved that Municipal Operations be authorized to write off the accounts totaling \$287.60, as described on the uncollectible account list attached to the Operations Report. Director Bundscho seconded said motion, which unanimously carried.

Mr. Arrant next requested that the Board authorize Municipal Operations to execute the District's Discharge Monitoring Report ("DMR") and submit same on behalf of the Board and the District. Following discussion, it was moved by Director Angulo, seconded by Director

Bundscho, and unanimously carried, that Municipal Operations be authorized to execute and submit the District's DMR.

RATIFICATION OF PRIOR APPROVAL OF SECOND AMENDED AND RESTATED PROFESSIONAL SERVICES AGREEMENT BETWEEN THE DISTRICT AND MUNICIPAL OPERATIONS

Mr. Arrant requested that the Board ratify its prior action to approve and authorize execution of the Second Amended and Restated Professional Services Agreement (the "Agreement") between the District and Municipal Operations. Following discussion, Director Angulo moved that the Board's prior action to approve and authorize execution of the Agreement between the District and Municipal Operations be ratified and authorized in all respects. Director Bundscho seconded the motion, which unanimously carried.

AMENDMENT TO SLUDGE MANAGEMENT AGREEMENT BETWEEN THE DISTRICT AND K-3BMI

Mr. Arrant reminded the Board that he previously presented correspondence received from K-3BMI, the District's sludge hauling services provider, notifying the Board of a proposed increase in sludge hauling fees from \$0.05 per gallon to \$0.07 per gallon. Mr. Arrant advised the Board that he obtained additional quotes for sludge hauling services, as previously requested by the Board, and presented to and reviewed with the Board a handout detailing same, a copy of which is attached hereto as **Exhibit E**. Following review and discussion of the quotes presented, the Board concurred to continue contracting with K-3BMI for sludge hauling services. Mr. Arrant then requested that the Board consider approval of an amendment to the District's Sludge Management Agreement with K-3BMI, a copy of which is attached hereto as **Exhibit F**, and advised that such amendment increases the fee for sludge hauling services from \$0.05 per gallon to \$0.07 per gallon. Following discussion, Director Angulo moved to (i) approve the amendment to the District's Sludge Management Agreement with K-3BMI increasing the fee for sludge hauling services to \$0.07 per gallon, and (ii) authorize the President to execute same on behalf of the Board and the District. Director Bundscho seconded the motion, which unanimously carried.

DISCUSSION REGARDING GENERATOR PERFORMANCE DURING WINTER STORM URI

Director Mayeu provided the Board with an update 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. In connection therewith, Director Mayeu advised the Board that Acclaim Energy Advisors ("Acclaim") is working with Cavallo Energy Texas LLC ("Cavallo") to recover the funds owed to the District, and that Acclaim is prepared to take legal action against Cavallo if necessary to recover the District's funds.

ENGINEER'S REPORT

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

In connection with the Phase I Wastewater Collection System Rehabilitation, Mr. Johnson presented to and reviewed with the Board Pay Application No. 3 and Final in the amount of \$55,924.30 and requested approval of payment of same. A copy of said pay estimate is included in **Exhibit G**. Following discussion, Director Angulo moved to approve the payment of Pay Application No. 3 and Final in the amount of \$55,924.30 to Texas Pride Utilities. Director Bundscho seconded the motion, which unanimously carried.

Mr. Gerould reported that the District's wastewater discharge permit (the "Permit") will expire on February 1, 2023, and that an application for the renewal of the Permit needs to be submitted to the Texas Commission on Environmental Quality (the "TCEQ") at least six months prior to the expiration date. He then requested that the Board authorize IDS to prepare and submit the application for renewal of the Permit to the TCEQ, and approve the publication of required notices relative to same. Following discussion, Director Angulo moved to (i) authorize IDS to prepare and submit the application for renewal of the Permit to the TCEQ, and (ii) approve the publication of the required notices relative to same. Director Bundscho seconded said motion, which carried unanimously.

ANNUAL FILING OF CRITICAL LOAD STATUS FACILITIES

Mr. Lai reported that the District must annually submit to each electric distribution utility and each retail electric utility provider, on forms reasonably required by each entity, its facilities which qualify for critical load status and various emergency contact information, in lieu of providing such information to the county judge of each county in which the District has critical load facilities. After discussion on the matter, Director Angulo moved that the District's consultants be authorized to make such annual filings on behalf of the District. 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. Lai advised that he had nothing further of a legal nature to discuss with the Board at this time.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 7, 2022. Mr. Lai advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 22, 2022. In such case, the Board may declare the unopposed candidates to be elected. In that regard, Mr. Lai presented to and reviewed with the Board the Order Declaring Candidates Elected (the "Order"), a copy of which is attached hereto as **Exhibit H**. Following discussion, Director Peckham moved that the Order be adopted by the Board declaring Directors Angulo and Bundscho elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 7, 2022, be cancelled. Director Mayeu seconded said motion, which unanimously carried

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 - Delinquent Tax Report
- Exhibit D - Operations Report
- Exhibit E - Handout detailing quotes for sludge hauling services
- Exhibit F - Amendment to Sludge Management Agreement between the District and K-3BMI
- Exhibit G - Engineer's Report
- Exhibit H - Order Declaring Candidates Elected

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