

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

Minutes of Meeting of Board of Directors  
November 11, 2021

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 November 11, 2021, at 12:00 noon, at 1300 Post Oak Boulevard, Suite 1400, 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"); Darrell Hawthorne and Ravi 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 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 October 14, 2021. After discussion, Director Angulo moved that the minutes of the meeting held on October 14, 2021, be approved as presented. Director Bundscho seconded said motion, which unanimously carried.

**BOOKKEEPER'S REPORT**

Mr. Hawthorne presented to and reviewed with the Board a Bookkeeper's Report dated November 11, 2021, 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. Hawthorne 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 September 30, 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.

### **COMPLIANCE WITH TEXAS GOVERNMENT CODE, CHAPTER 2265, RELATIVE TO ENERGY REPORTING**

The Board considered the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. In connection therewith, Mr. Ringold advised the Board that governmental entities, including the District, are required to prepare an annual report on the entities' metered usage of electricity and the aggregate costs for same. Mr. Hawthorne then noted that Acclaim Energy has provided an annual report, a copy of which is attached to the Bookkeeper's Report, summarizing the District's electricity usage and costs. Mr. Ringold advised that no further action was necessary to achieve compliance, as the District's annual electricity usage was less than \$200,000.

### **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 October 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 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. 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").

### **OPERATIONS REPORT**

Mr. Arrant presented to and reviewed with the Board a written Operations Report for the month of September, 2021, a copy of which is attached hereto as **Exhibit C**. Mr. Arrant additionally presented to and reviewed with the Board a report detailing the results of performance testing conducted at the District's Water Well No. 1, a copy of which is attached hereto as **Exhibit D**.

Mr. Arrant advised the Board that, effective September 1, 2021, the City of Houston (the "City") implemented a 1.28% increase to water and sewer rates, and that this increase also applies to the City Groundwater Reduction Plan ("GRP") fee. Following discussion of the matter, the Board requested that an item be added to the next meeting agenda to consider amending its Rate Order relative to the GRP fee increase.

Director Mayeu presented to and reviewed with the Board a proposal prepared by Brave Landscapes for the removal and replacement of trees located at the District's Water Plant. A copy of said proposal is attached hereto as **Exhibit E**. Director Mayeu advised that Brave Landscapes will remove and replace the trees currently located at the District's Water Plant site and plant additional trees at a cost of approximately \$2,250.00. Following discussion, Director Angulo moved to authorize Brave Landscapes to remove and replace the trees located at the District's Water Plant site and plant additional trees at a cost of approximately \$2,250.00. Director Bundscho seconded the motion, which unanimously carried.

### **IMPLEMENTATION OF SENATE BILL NO. 3**

A discussion ensued regarding the implementation of Senate Bill No. 3 from the 87<sup>th</sup> Texas Legislative Session. In connection therewith, Mr. Ringold presented and reviewed with the Board a Memorandum prepared by SPH dated November 11, 2021, regarding the implementation of the requirements of such Bill, a copy of which is attached hereto as **Exhibit F**. He recommended that the Board consider amending the District's Rate Order to include certain language regarding billing and termination procedures during extreme weather emergencies. After discussion on the matter, it was moved by Director Angulo, seconded by Director Bundscho, and unanimously carried that: (i) the District's Rate Order be amended to include the recommended language regarding billing and termination procedures during extreme weather emergencies, as discussed above, (ii) any and all Rate Orders heretofore adopted be revoked, and (iii) the Rate Order, which is attached hereto as **Exhibit G**, be passed and adopted.

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

Discussion ensued 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 (the "Storm"). In connection therewith, Mr. Ringold advised that he and Director Mayeu met with representatives of Acclaim Energy Advisors ("Acclaim"), and discussed the details of said meeting with the Board. No action was taken by the Board.

### **ENGINEER'S REPORT**

Mr. Johnson presented to and reviewed with the Board a written Engineer's Report dated November 11, 2021, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit H**.

In connection with the Phase II Wastewater Collection System Rehabilitation, Mr. Johnson presented to and reviewed with the Board Change Order No. 1 to add newly required language to the construction contract following the 87<sup>th</sup> Texas Legislative Session. A copy of said change order is included in **Exhibit H**. Following discussion, Director Angulo moved to approve Change Order No. 1. Director Peckham seconded the motion, which unanimously carried.

## **DEVELOPER REPORT**

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

## **EMINENT DOMAIN REPORT**

Mr. Ringold reminded the Board that political subdivisions with the power of eminent domain, including the District, are required to file an annual eminent domain report by February 1 of each year with the Texas Comptroller of Public Accounts (the "Comptroller"). He explained that the report will contain the District's contact information as well as information related to the District's ability to exercise the power of eminent domain. Following discussion on the matter, Director Angulo moved that SPH be authorized to prepare and file the required eminent domain report with the Comptroller prior to February 1, 2022. Director Bundscho seconded the motion, which passed unanimously.

## **MATTERS RELATED TO MAY 7, 2022 DIRECTORS ELECTION**

Mr. Ringold reported on issues related to the District's Directors Election (the "Election") to be held on May 7, 2022. In connection therewith, Mr. Ringold discussed with the Board (i) participation in the joint election with Harris County (the "County"), (ii) publication of notice regarding accessible voting systems, and (iii) posting of Notice Regarding Candidate Filing Period. Mr. Ringold advised that the County will administer the Election if the District participates in the County's joint election. He further noted that if the District elects not to contract with the County and to hold an independent Election, Section 49.111, Texas Water Code, provides an exemption from the requirement to provide certain electronic voting systems at the Election if the District's previous directors election was canceled as uncontested or if fewer than 250 voters voted in the District's previous directors election. Mr. Ringold noted that the District is exempt from said requirement because the District's previous directors election was canceled. Following discussion, it was moved by Director Angulo, seconded by Director Bundscho and unanimously carried that SPH be authorized to (i) notify the County of the District's intent to participate in the joint Election, (ii) provide notice of the District's intent not to provide electronic voting systems for said Election by publication in a newspaper of general circulation in an area that includes the District, in case the District subsequently elects to hold an independent Election, and (iii) post the required Notice Regarding Candidate Filing Period.

## **ATTORNEY'S REPORT**

The Board next considered the attorney's report. In connection therewith, Mr. Ringold presented to and reviewed with the Board an Annual Disclosure provided by Masterson Advisors LLC regarding its annual disclosure requirements pursuant to the Municipal Securities Rulemaking Board Rules G-10, a copy of which is attached hereto as **Exhibit I**.

Mr. Ringold presented to and reviewed with the Board correspondence received from GFL Environmental ("GFL"), previously known as WCA Waste Corporation, and advised the Board that effective January 1, 2022, GFL will increase its solid waste collection fee from \$17.12 to \$18.08, resulting in a \$0.96 increase per month per connection. A copy of said

correspondence is attached hereto as **Exhibit J**. Following discussion, the Board concurred to include an item on the Board's next meeting agenda to consider amending the District's Rate Order to accommodate the solid waste collection fee increase.

Mr. Ringold next presented to and reviewed with the Board a Texas Municipal Utility District Newsletter prepared by Acclaim regarding new ancillary charges impacting municipal utility districts, a copy of which is attached hereto as **Exhibit L**.

### **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

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LIST OF ATTACHMENTS TO MINUTES

Exhibit A	Bookkeeper's Report
Exhibit B	Tax Collector's Report
Exhibit C	Operations Report
Exhibit D	G-M Services Performance Testing Report
Exhibit E	Brave Landscapes Proposal
Exhibit F	Memorandum regarding Implementation of Senate Bill 3
Exhibit G	Rate Order
Exhibit H	Engineer's Report
Exhibit I	Correspondence regarding MSRB Rule G-10
Exhibit J	Correspondence received from GFL Environmental
Exhibit K	Acclaim Energy Advisors Texas Municipal Utility District Newsletter

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