

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

Minutes of Meeting of Board of Directors
September 9, 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 September 9, 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 of Municipal Accounts & Consulting, L.P. ("MA&C"); Eric Johnson of IDS Engineering Group ("IDS"); Tim Spencer of Ad Valorem Appraisals, Inc. ("Ad Valorem"); Sherri Greenwood of BKD, LLP ("BKD"); Debbie Shelton of Masterson Advisors LLC ("Masterson"); and Daniel Ringold 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 August 12, 2021. After discussion, Director Angulo moved that the minutes of the meeting held on August 12, 2021, be approved as presented. Director Bundscho seconded said motion, which unanimously carried.

ENGAGEMENT OF AUDITOR TO PREPARE THE DISTRICT'S AUDIT REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2021

The Board considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending September 30, 2021. Ms. Greenwood presented and reviewed with the Board a proposed engagement letter from BKD relative to preparing the District's audit report for the fiscal year ending September 30, 2021, which is attached hereto as **Exhibit A**. She reported that BKD's fee proposal for conducting the required audit will be \$17,300, plus estimated

administrative costs of \$1,000 to cover items such as report production, postage, copies, delivery charges, and technology related costs. After discussion on the matter, Director Angulo moved to approve the engagement of BKD to conduct the required audit for the District's fiscal year ending September 30, 2021, and to authorize the President to execute the engagement letter on behalf of the Board and the District. Director Bundscho seconded said motion, which carried unanimously.

BOOKKEEPER'S REPORT

Mr. Hawthorne presented to and reviewed with the Board a Bookkeeper's Report dated September 9, 2021, including checks presented for payment. A copy of such Bookkeeper's Report is attached hereto as **Exhibit B**. 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.

OPERATING BUDGET

The Board considered the adoption of an operating budget for the District's fiscal year ending September 30, 2022, a copy of which is attached hereto as **Exhibit C**. Following discussion, it was moved by Director Angulo that the proposed operating budget for the fiscal year ending September 30, 2022 be approved, subject to (i) the addition of a line item in the amount of \$70,000, for the rehabilitation of the District's water supply system, (ii) an adjustment to line item 16340 to increase the listed amount for Auditing Fees from \$12,300 to \$18,300, and (iii) an adjustment to line item 14350 to lower the total anticipated Maintenance Tax Collections for 2021 tax year from \$1,616,893 to \$1,266,882. 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 August 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 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. Ringold presented to and reviewed with the Board a written Delinquent Tax Report provided by Perdue, Brandon, Fielder, Collins, & Mott, L.L.P., dated September 9, 2021, a copy of which is attached hereto as **Exhibit E**. He noted that there were no items on the report requiring action by the Board at this time.

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 2021 maintenance tax rate, the authorization for the required notice that the Board will consider adoption of a tax rate, and the means of such notice. Ms. Shelton presented the Board with Masterson's analysis and recommendation regarding the proposed 2021 maintenance tax rate, a copy of which is attached hereto as **Exhibit F**. Ms. Shelton noted the District does not have any outstanding bonds or notes, and, therefore, no debt service tax is necessary. There next followed a discussion concerning the requirements for notice of the District's intention to adopt a 2021 tax rate. Mr. Ringold advised that, pursuant to §49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Ringold further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting. After further discussion on the matter, Director Angulo moved that the Board propose a 2021 maintenance tax rate of \$0.17 per \$100 of assessed valuation, and that the District's Tax Assessor-Collector be authorized to publish notice of the District's intention to adopt a 2021 tax rate at its next meeting in the form and at the time required by law. Director Bundscho seconded said motion, which unanimously carried.

OPERATIONS REPORT

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

Mr. Arrant requested that Municipal Operations be given authorization to write off one (1) account totaling \$38.74 as uncollectible. After discussion on the matter, Director Angulo moved that Municipal Operations be authorized to write off the account totaling \$38.74, as described on the uncollectible account list attached to the Operations Report. Director Bundscho seconded said motion, which unanimously carried.

DISCUSSION REGARDING GENERATOR PERFORMANCE DURING WINTER STORM URI

Mr. Ringold advised the Board that no additional information has been received from Acclaim Energy relative to receipt of revenue for operation of the District's generator at its Water Plant during Winter Storm Uri (the "Storm").

ENGINEER'S REPORT

Mr. Johnson presented to and reviewed with the Board a written Engineer's Report dated September 9, 2021, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit H**.

Mr. Johnson presented a tabulation of bids relative to the contract for Phase II of the District's Wastewater Collection System Rehabilitation. Mr. Johnson recommended that the Board award the construction contract to the low bidder, T. Gray Utility & Rehab. Co. ("T. Gray Utility"), in the amount of \$534,438.25. Following review of such bid tabulation, Director Angulo moved that the District award the construction contract to T. Gray Utility in the amount of \$534,438.25, as recommended. Director Bundscho seconded the motion, which unanimously carried.

PROPOSALS FOR CREATION OF DISTRICT WEBSITE

In connection with the proposed creation of a District website to satisfy the requirements of House Bill 1154, Mr. Ringold advised the Board that SPH obtained proposals from three (3) website providers, and presented same to the Board for consideration. Copies of such proposals are attached hereto as **Exhibit I**. Following discussion, Director Angulo moved to accept the proposal as provided by The Texas Network LLC ("TTN"), and authorize the President to execute the Website Development and Management Agreement between the District and TTN on behalf of the Board and the District. Director Bundscho seconded the 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 discussed the status of the District's prior Resolution Adopting Temporary Policies and Procedures in Response to COVID-19 Pandemic (the "Resolution"), and advised that the policies and procedures made possible under said Resolution expired as of September 1, 2021. Following discussion, Director Angulo moved rescind the Resolution as of September 1, 2021. Director Bundscho seconded the motion, which unanimously carried.

Mr. Ringold next presented to and reviewed with the Board an Order Establishing Office and Meeting Places Outside the District (the "Order"), located at 1300 Post Oak Boulevard, Suite 2400 and Suite 2500, Houston, Texas 77056, a copy of which Order is attached hereto as **Exhibit J**. After discussion, it was moved by Director Angulo, seconded by Director Bundscho, and unanimously carried that said Order be passed and adopted. The Board instructed SPH to file a copy of the Order with the Texas Commission on Environmental Quality.

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	Audit Engagement Letter
Exhibit B	Bookkeeper's Report
Exhibit C	Operating Budget FYE September 30, 2022
Exhibit D	Tax Collector's Report
Exhibit E	Delinquent Tax Report
Exhibit F	2021 Tax Rate Recommendation
Exhibit G	Operations Report
Exhibit H	Engineer's Report
Exhibit I	Proposals for creation of District website
Exhibit J	Order Establishing Office and Meeting Places Outside the District