

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

Minutes of Meeting of Board of Directors  
August 11, 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 August 11, 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"); Darrell Hawthorne and Yaneth Castillo of Municipal Accounts & Consulting, L.P. ("MA&C"); Tim Spencer and Chris Davey of Ad Valorem Appraisals, Inc. ("Ad Valorem"); Hayden Gaspard of Acclaim Energy Advisors ("Acclaim"); and Eric Lai, Spencer Creed 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 July 14, 2022. After discussion, Director Angulo moved that the minutes of the meeting held on July 14, 2022, be approved as presented. Director Bundscho seconded said motion, which unanimously carried.

**BOOKKEEPER'S REPORT**

Ms. Castillo presented to and reviewed with the Board a Bookkeeper's Report dated August 11, 2022, including checks presented for payment, a copy of which is attached hereto as **Exhibit A**. Ms. Castillo additionally presented a draft of the proposed budget for the fiscal year ending September 30, 2023, a copy of which is included in the Bookkeeper's Report, for review and comment by the Board of Directors and District consultants. 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.

Ms. Castillo then presented to and reviewed with the Board a Quarterly Investment Inventory Report ("Investment Report") prepared by MA&C for the reporting period ended June 30, 2022, 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.

Director Mayeu queried Ms. Castillo regarding the status of the District's investments and, more particularly, the District's Certificates of Deposit ("CDs"). In connection therewith, Director Mayeu requested additional information regarding the process for liquidating the District's low interest yielding CDs and the penalties associated with same. Ms. Castillo advised the Board that she would research the matter and obtain additional information for discussion at the Board's next meeting.

### **THIRD AMENDED AND RESTATED AGREEMENT FOR BOOKKEEPING SERVICES**

Mr. Hawthorne presented to and reviewed with the Board a proposed Third Amended and Restated Agreement for Bookkeeping Services (the "Third Amended Agreement") between the District and MA&C, which provides for, among other things, a revised rate structure for services performed. It was noted that implementation of MA&C's revised rate structure will increase the District's monthly fee for bookkeeping services by approximately \$500-\$800 per month. Following discussion, it was moved by Director Angulo, seconded by Director Bundscho, and unanimously carried, that: (i) the Third Amended Agreement be approved; (ii) the President be authorized to execute same on behalf of the Board and the District; and (iii) SPH be authorized to acknowledge the TEC Form 1295 submitted by MA&C in connection with same. A copy of the executed Third Amended Agreement is attached hereto as **Exhibit B**.

### **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, 2022, including lists of bills and charges to be paid out of the District's Tax Account, a copy of which is attached hereto as **Exhibit C**. 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.

Mr. Hawthorne exited the meeting at this time.

### **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").

## **RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2022 TAX RATE**

The Board considered the financial advisor's recommendation concerning the District's proposed 2022 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 that regard, Mr. Lai advised the Board that the Harris County Appraisal District has not yet released the 2022 certified values, and requested that the Board defer consideration of the financial advisor's 2022 tax rate recommendation until the Board's next meeting.

## **OPERATIONS REPORT**

Mr. Arrant presented to and reviewed with the Board a written Operations Report for the month of June 2022, a copy of which is attached hereto as **Exhibit D**. In connection therewith, Mr. Arrant requested that the Board authorize Municipal Operations to write off one (1) account totaling \$27.87 as uncollectible. Following discussion, Director Angulo moved to authorize Municipal Operations to write off the account totaling \$27.87, as described on the uncollectible account list attached to the Operations Report. Director Bundscho seconded said motion, which unanimously carried.

In connection with the replacement of the perimeter fence located at the District's Sewer Treatment Plant, Mr. Arrant provided the Board with three (3) quotes for the replacement of the entire perimeter fence, including the posts. Following review and discussion of the quotes provided, Director Angulo moved to approve the quote for replacement of the entire perimeter fence, including the posts, in the amount of \$26,430.00. Director Bundscho seconded the motion, which unanimously carried.

Mr. Arrant requested an item for placement on next month's meeting agenda to consider approval of a letter agreement for temporary fuel surcharge.

## **ENGINEER'S REPORT**

Director Mayeu advised the Board that Eric Johnson of IDS Engineering Group ("IDS"), the District's engineer, was unable to attend today's Board meeting and, in his absence, presented to and reviewed with the Board a written Engineer's Report dated August 11, 2022, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit E**.

In connection with the Phase II Wastewater Collection System Rehabilitation, Director Mayeu presented to and reviewed with the Board Pay Application No. 4 in the amount of \$4,612.50, a copy of which is included in **Exhibit E**, and requested approval of payment of same to T. Gray Utility & Rehab. Co. ("T. Gray"). Following discussion, Director Angulo moved to approve the payment of Pay Application No. 4 in the amount of \$4,612.50, to T. Gray. 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.

## **STATUS OF RECEIPT OF REVENUES ASSOCIATED WITH GENERATOR PERFORMANCE DURING WINTER STORM URI**

In connection with 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 Board recognized Mr. Hayden Gaspard of Acclaim Energy Advisors ("Acclaim"), who presented to and reviewed with the Board an On-site Generator Performance report dated August 11, 2022, a copy of which is attached hereto as **Exhibit F**.

Mr. Gaspard reported that during Winter Storm Uri in February 2021, the generator's export channel data, which contains the details of the generator's runtime activity, was lost, and therefore never received by the entities responsible for calculating the amount of generated revenue owed to the District. He advised that CenterPoint was able to recover the lost export channel data and has provided the correct data to ERCOT for processing. He further advised that once ERCOT incorporates the District's recovered export channel data, the District should receive a correction payment from the appropriate Qualified Scheduling Entity (QSE) for the amount of revenue that was lost during Winter Storm Uri. Director Peckham queried Mr. Gaspard regarding whether the District could house an on-site data storage system to allow the District to directly access the generator's export channel data, to which Mr. Gaspard responded that he would research further and report back to the Board with his findings.

Mr. Gaspard next reported that the District's generator experienced a mechanical failure during July - August 2022 that resulted in the generator's inability to generate revenue for the District. He advised that the generator alerted PowerSecure of the mechanical issue on June 29, 2022, and that the generator was not repaired and declared operational until August 8, 2022. Director Mayeu advised Mr. Gaspard that, moving forward, the Board would prefer for PowerSecure to identify and obtain a quote for repair of any mechanical issue affecting the District's generator as soon as PowerSecure receives an alert to ensure timely repair. Mr. Gaspard advised that he would communicate with PowerSecure regarding this matter.

## **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.

## **CLOSED SESSION**

The Board determined it was not necessary to enter into Closed Session.

**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.



  
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 – Third Amended and Restated Agreement for Bookkeeping Services
- Exhibit C – Tax Collector's Report
- Exhibit D – Operations Report
- Exhibit E – Engineer's Report
- Exhibit F – On-Site Generator Performance Report

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