

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

Minutes of Meeting of Board of Directors
May 12, 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 May 12, 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.

QUALIFICATION STATEMENTS, OFFICIAL BONDS, OATHS OF OFFICE, AFFIDAVITS OF CURRENT DIRECTOR

The Board considered the acceptance of Qualification Statements of Elected Officers, Bonds, Oaths of Office and Affidavits of Current Director for Directors Angulo and Bundscho. After discussion on the matter, it was moved by Director Mayeu, seconded by Director Peckham and unanimously carried that the Board approve said Bonds, accept said Statements, Oaths, and Affidavits and declare Gina Angulo and Rose Mary Bundscho to be duly elected and qualified Directors of the District.

ELECTIONS NOT TO DISCLOSE CERTAIN INFORMATION

Mr. Lai next presented to the Board an Election Not to Disclose Certain Information for the newly elected directors and the sitting directors. He stated that, pursuant to Section 552.024 of the Texas Government Code, as amended, the directors may elect to withhold public access to information in the custody of the District. Upon review, Director Mayeu moved that the Election

Not to Disclose Forms be accepted as executed by all Directors. Director Peckham seconded said motion, which unanimously carried.

ELECTION OF OFFICERS

The next item to be considered was the reorganization of the Board and the election of officers. Following discussion, the Board concurred that no action was needed and that all officers retain their current positions.

DISTRICT REGISTRATION FORM

The Board next considered approving a District Registration Form required by the Texas Commission on Environmental Quality ("TCEQ"). Mr. Lai explained that, in accordance with the Texas Water Code, municipal utility districts are required to file names, mailing addresses, officer positions and terms of new directors with the TCEQ within thirty (30) days after an election or appointment. He advised that, with the Board's approval, SPH will complete an updated District Registration Form to include new terms of office for Directors Angulo and Bundscho, and will file the form with the TCEQ. After further discussion of the matter, Director Mayeu moved that the Board authorize SPH to complete the District Registration Form as discussed and file same with the TCEQ. Director Peckham seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICERS LIST IN CONNECTION WITH CONFLICT OF INTEREST DISCLOSURE REQUIREMENTS

The Board next considered authorizing the preparation and maintenance of a local government officers list in connection with conflict of interest disclosure requirements of the District. Director Mayeu moved that said officers list be prepared. Director Peckham seconded said motion and it unanimously carried.

MINUTES OF MEETING

The Board considered approval of the minutes of its meeting held on April 14, 2022. After discussion, Director Angulo moved that the minutes of the meeting held on April 14, 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 May 12, 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 additionally 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 March 31, 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.

UNCLAIMED PROPERTY REPORT

The Board concurred to defer consideration of the Unclaimed Property Report until next month's meeting.

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 April 30, 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 March, 2022, 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 \$52.86 as uncollectible. Following discussion, Director Angulo moved that Municipal Operations be authorized to write off the account totaling \$52.86, as described on the uncollectible account list attached to the Operations Report. Director Bundscho seconded said motion, which unanimously carried.

CONSUMER CONFIDENCE REPORT

Mr. Arrant presented the Board with a draft Consumer Confidence Report ("CCR") prepared by Municipal Operations for distribution to the District's customers, a copy of which is attached hereto as **Exhibit D**, and requested that the Board authorize electronic distribution of same to the District's customers, in accordance with the Environmental Protection Agency's rules for electronic delivery. Following discussion, Director Angulo moved to approve the CCR and authorize Municipal Operations to distribute same electronically to the District's customers by July 1, 2022, subject to SPH's approval and confirmation that such CCR is consistent with the requirements implemented by the Texas Commission on Environmental Quality. Director Bundscho seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Johnson presented to and reviewed with the Board a written Engineer's Report dated May 12, 2022, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit E**.

In connection with the proposed Water Distribution System Rehabilitation/Replacement (the "WDS Project"), Mr. Johnson advised the Board that IDS is in the process of preparing a plan to determine the number of phases needed to complete the WDS Project and an updated cost estimate relative to same, and that said plan and cost estimate will be presented to the Board for review and consideration at next month's meeting.

AMENDMENT TO DISTRICT RATE ORDER

The Board considered approval of an amendment to the District's Rate Order in connection with an increase in the City of Houston's (the "COH") groundwater reduction plan ("GRP") fees. In connection therewith, Mr. Lai reminded the Board of the notification received from the COH dated as of March 14, 2022, regarding the COH's updated method for calculating the GRP fees owed to the COH by the District as a participant in the COH's GRP. He additionally reminded the Board of the correspondence received by MOC from the COH dated as of May 1, 2022, notifying the District that the COH is implementing a 5.6% increase in GRP fees, effective as of April 1, 2022. In that regard, Mr. Lai presented to and reviewed with the Board a handout containing potential options for the implementation of the GRP fee increase and the imposition of a pass-through to District customers, a copy of which is attached hereto as **Exhibit F**, and advised that the options reflected in the handout have been updated in accordance with the information received in the May 1, 2022, COH correspondence. Following discussion, the Board requested that Mr. Arrant prepare a report for discussion at next month's meeting that demonstrates the potential options for implementation of the GRP increase, as reflected in **Exhibit F**, and the effect that each option would have on the average customer water bill over the next five (5) years. The Board concurred to defer consideration of an amendment to the District's Rate Order until next month's meeting.

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

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. In connection therewith, Mr. Lai advised that, as previously authorized by the Board, SPH requested that Acclaim Energy Advisors ("Acclaim") prepare and submit materials to the Board two (2) weeks in advance of today's meeting for the Board to determine if it would be necessary for a representative of

Acclaim to attend said meeting. In that regard, Mr. Lai presented to and reviewed with the Board correspondence received from Acclaim as of April 27, 2022, and a PowerPoint presentation dated May 12, 2022, as prepared by Acclaim, copies of which are attached hereto as **Exhibit G**. Following review and discussion of the materials presented, Director Peckham moved to authorize SPH to prepare and transmit correspondence to Acclaim demanding that Acclaim remit payment for the revenue generated in response to the power exported by the District's generator during Winter Storm Uri. Director Angulo seconded the motion, which unanimously carried.

Discussion ensued regarding the status of the District's agreements with Acclaim and PowerSecure, Inc. and the terms and conditions of said agreements.

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 Angulo, seconded by Director Bundscho and unanimously carried, the meeting adjourned.




Secretary, Board of Directors

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 36,
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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 – Consumer Confidence Report
- Exhibit E – Engineer's Report
- Exhibit F – Handout detailing options for implementation of COH GRP fee increase
- Exhibit G – Correspondence and PowerPoint Presentation received from Acclaim Energy Advisors

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