

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

Minutes of Meeting of Board of Directors

March 9, 2023

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 9, 2023, 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
Rose Mary Bundscho	Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were John Montgomery of Municipal Operations & Consulting, Inc. ("Municipal Operations"); Eric Johnson of IDS Engineering Group ("IDS"); Rahi Patel of Municipal Accounts & Consulting, L.P. ("MA&C"); Chris Davy 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.

MINUTES OF MEETING

The Board considered approval of the minutes of its meeting held on February 9, 2023. After discussion, Director Angulo moved that the minutes of the meeting held on February 9, 2023, be approved as presented. Director Bundscho seconded said motion, which unanimously carried.

CONSIDER APPOINTMENT OF NEW DIRECTOR TO FILL VACANCY ON BOARD OF DIRECTORS

The Board considered the appointment of a new Director to fill the vacancy on the Board of Directors. In connection therewith, the Board discussed the qualifications necessary for a new Director to be eligible for service on the Board of Directors, and concurred to continue looking for potential candidates. Following discussion, the Board deferred taking action to appoint a new Director to fill the vacancy on the Board at this time, and concurred to re-consider the matter at a future meeting.

BOOKKEEPER'S REPORT

Mr. Patel presented to and reviewed with the Board a Bookkeeper's Report dated March 9, 2023, including checks presented for payment, a copy of which is attached hereto as **Exhibit A**. With regards to the District's Investment Profile, Mr. Patel reported that MA&C has purchased new Certificates of Deposit ("CDs") on behalf of the Board and the District, and noted that MA&C will continue to purchase new CDs each month moving forward to ensure diversification in the investment of the District's funds and the institutions with which such funds are invested. Following discussion of the Bookkeeper's Report, it was moved by Director Angulo, seconded by Director Bundscho, and unanimously carried, that the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment.

In connection with the status of the District's receipt of revenue for operation of the District's generator at its Water Plant, Mr. Patel presented to and reviewed with the Board an Account QuickReport, as prepared by MA&C, which provides a historical accounting of the District's expenditures relative to the operation and maintenance of the District's generator. A copy of such QuickReport is attached hereto as **Exhibit B**. No action was taken by the Board in connection with this matter.

CLIENT SERVICES AGREEMENT WITH HR&P, INC. ("HR&P"); ADOPTION OF RESOLUTION AUTHORIZING ELECTRONIC TRANSFER OF FUNDS FOR DIRECTOR PER DIEMS AND EXPENSE REIMBURSEMENTS

Mr. Patel advised the Board that MA&C is now offering direct deposit service for director per diem and expense reimbursement payments through HR&P, Inc. ("HR&P"), a third party payroll provider, and provided the Board with a proposal summarizing the program and its costs and benefits, a copy of which is attached as **Exhibit C**. Following discussion on the matter, the Board indicated it is not interested in direct deposit of per diems and expense reimbursements at this time, and declined to (i) approve of a Client Services Agreement with HR&P, and (ii) adopt the Resolution Authorizing Electronic Transfer of Funds for Director Per Diems and Expense Reimbursements in connection therewith.

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, 2023. Mr. Lai advised the Board that the District's operator and tax assessor-collector, in addition to the District's 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 Texas Comptroller of Public Accounts (the "Comptroller") 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 District's 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 by the applicable deadline. Director Bundscho seconded said motion, which unanimously carried.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Davy 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, 2023, including a list of bills and charges to be paid out of the District's Tax Account for the months ended January 31, 2023, and February 28, 2023, a copy of which is attached hereto as **Exhibit D**. Mr. Davy advised the Board that the list of bills and charges being submitted to the Board for approval today include the disbursements previously reflected in the Tax Collector's Report for the month ended January 31, 2023, as the Board previously deferred approval of such disbursements due to a technical issue experienced by Ad Valorem. Following discussion, Director Angulo moved that the Tax Collector's Report and the disbursements reflected therein, including the disbursements for the month ended January 31, 2023, 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 9, 2023, a copy of which is attached hereto as **Exhibit E**. He noted that there were no items in the report requiring action by the Board at this time.

OPERATIONS REPORT

Mr. Montgomery presented to and reviewed with the Board a written Operations Report for the month of January 2023, a copy of which is attached hereto as **Exhibit F**. In connection therewith, Mr. Montgomery requested that the Board authorize Municipal Operations to write off one (1) account totaling \$85.00 as uncollectible. Following discussion, Director Angulo moved to authorize Municipal Operations to write off the account totaling \$85.00, as described in the uncollectible account list attached to the Operations Report. Director Bundscho seconded said motion, which unanimously carried.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution Adopting Prevailing Wage Rate Scale for Construction Projects (the "Wage Rate Resolution") in connection therewith. In that regard, Mr. Lai reported that SPH and IDS are recommending that the District adopt the applicable United States Department of Labor ("DOL") wage rate scales, as permitted under Section 2258.022 of the Texas Government Code. After discussion on the matter, Director Angulo moved that the applicable DOL wage rate scales be adopted as the District's prevailing wage rate scale for

construction projects, and that the Wage Rate Resolution attached hereto as **Exhibit G**, be adopted by the Board. 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 March 9, 2023, 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 Pay Application No. 9 in the amount of \$4,071.60, and requested approval of payment of same to T. Gray Utility & Rehab. Co. ("T. Gray"). A copy of Pay Application No. 9 is included in **Exhibit H**. Following discussion, Director Angulo moved to approve the payment of Pay Application No. 9 in the amount of \$4,071.60, to T. Gray. Director Bundscho seconded the motion, which unanimously carried.

Mr. Johnson advised the Board that he received plans for the installation of a new fire line to serve a building located within the District at 611 Lockhaven, and noted that such plans are under review by himself and the District's operator. No action was required from the Board in connection with this matter.

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.

REPORT ON THE DISTRICT'S GENERATOR, INCLUDING STATUS OF RECEIPT OF REVENUES ASSOCIATED WITH PERFORMANCE DURING WINTER STORM URI

Director Mayeu advised the Board that John Elder of Acclaim Energy Advisors ("Acclaim") had been invited to attend today's meeting to provide 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. Upon acknowledging Mr. Elder's absence at today's meeting, Director Mayeu proceeded to inform the Board that Mr. Elder provided a list of action items that Acclaim is responsible for completing with deadlines for completion of each action item, as requested by the

Board at last month's meeting, and noted that such list is illegible. No action was taken by the Board in connection with 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.

POTENTIAL ENERGY MANAGEMENT SERVICES

Director Mayeu next discussed with the Board potential energy management services to be provided to the District for the purpose of analyzing the District's participation in various demand response programs. Following discussion, no action was taken by the Board in connection with this matter.

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,
OF HARRIS COUNTY, TEXAS**

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A – Bookkeeper's Report
- Exhibit B – Account QuickReport
- Exhibit C – Proposal by HR&P, Inc.
- Exhibit D – Tax Assessor-Collector's Report
- Exhibit E – Delinquent Tax Report
- Exhibit F – Operations Reports
- Exhibit G – Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- Exhibit H – Engineer's Report

664675.1