

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

Minutes of Meeting of Board of Directors  
November 10, 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 November 10, 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
Rose Mary Bundscho	Assistant Secretary

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

Also present were John Taylor of Municipal Operations & Consulting, Inc. ("Municipal Operations"); Eric Johnson of IDS Engineering Group ("IDS"); Rahi Patel 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 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 September 8, 2022. After discussion, Director Angulo moved that the minutes of the meeting held on September 8, 2022, 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 resulting from the resignation of Mr. Peckham. 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 November 10, 2022, including checks presented for payment, a copy of which is attached hereto as **Exhibit A**. Mr. Patel additionally presented to and reviewed with the Board a Quarterly Investment Inventory Report ("Investment Report") prepared by MA&C for the reporting period ended September 30, 2022, a copy of which is attached to the Bookkeeper's Report.

A discussion next ensued regarding the status of the District's investments and, more particularly, the District's Certificates of Deposit ("CDs"). In connection therewith, Mr. Patel advised the Board that MA&C successfully liquidated those of the District's CDs yielding less than 3.15% interest and transferred the proceeds to the District's money market account through Texas CLASS for purposes of procuring a higher interest rate. He further advised that MA&C will not be purchasing any new CDs for the District until the market stabilizes. Director Mayeu expressed concern regarding the lack of diversification in the District's investments, and requested that MA&C conduct research to identify the range of interest rates currently available for the investment of District funds and the banking institutions offering such interest rates. Mr. Patel responded that he would research the matter further and provide Director Mayeu with his findings.

Following discussion, it was moved by Director Angulo that (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment, (ii) the Investment Report be approved and the District's Investment Officer authorized to execute same on behalf of the Board and the District, and (iii) Director Mayeu be authorized to communicate with MA&C and take any action necessary on behalf of the Board and the District in connection the District's investment activity. Director Bundscho seconded the motion, which unanimously carried.

### **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. Lai 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. Patel 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. Lai advised that no further action was necessary to achieve compliance, as the District's annual electricity usage was less than \$200,000.

**ANNUAL REVIEW OF ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER; ADOPTION OF RESOLUTION AND AMENDED ORDER IN CONNECTION THEREWITH**

The Board next considered the annual review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy") and the adoption of a Resolution in connection therewith. In that regard, Mr. Lai reviewed with the Board SPH's recommended changes to the District's Investment Policy and presented for the Board's approval an amended Investment Policy and a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"), copies of which are attached hereto as **Exhibit B**. Following review and discussion, Director Angulo moved that the Board (i) approve the amended Investment Policy reflecting SPH's recommended changes, as discussed, (ii) adopt the Resolution in connection therewith, and (iii) authorize the President and Secretary to execute the Investment Policy and the Resolution on behalf of the Board and the District. Director Bundscho seconded said motion, which unanimously carried.

**TAX ASSESSOR-COLLECTOR'S REPORT**

Mr. Spencer presented to and reviewed with the Board written Tax Collector's Reports regarding tax collections within the District for the months ended September 30, 2022, and October 31, 2022, including lists of bills and charges to be paid out of the District's Tax Account, copies of which are attached hereto as **Exhibit C**. Following discussion, Director Angulo moved that the Tax Collector's Reports 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").

**PUBLIC HEARING REGARDING DISTRICT'S 2022 TAX RATE**

Mr. Spencer confirmed that the notice of the District's intention to set the proposed tax rate and notice of public hearing had been published in the *This Week* section of *The Houston Chronicle* in accordance with all legal requirements and as directed at the Board's previous meeting. The Board conducted a hearing regarding the imposition of a proposed maintenance tax rate for 2022. It was noted that no taxpayer appeared at the hearing, and the hearing was closed.

## LEVY OF THE DISTRICT'S 2022 TAX RATE

The Board discussed the setting of the District's 2022 tax rate. After discussion on the matter, Director Angulo moved that: (i) the Board adopt the tax rate as proposed at the District's September 8, 2022, meeting, and as reflected in the notice; (ii) the Board levy a 2022 maintenance tax rate of \$0.15 per \$100 of assessed valuation; (iii) the Order Levying Taxes attached hereto as **Exhibit D** be adopted in connection therewith, and the President be authorized to execute and the Secretary to attest same on behalf of the Board and the District. Director Bundscho seconded said motion, which carried unanimously.

## APPROVE AMENDMENT TO THIRD AMENDED AND RESTATED DISTRICT INFORMATION FORM

Mr. Lai presented to and discussed with the Board an Amendment to the Third Amended and Restated District Information Form (the "Amendment") relative to the District's 2022 tax rate. Following discussion, Director Angulo moved that the Amendment be approved and the Board members present be authorized to execute same on behalf of the Board and the District. Director Bundscho seconded said motion, which unanimously carried.

## OPERATIONS REPORT

Mr. Taylor presented to and reviewed with the Board written Operations Reports for the months of August 2022 and September 2022, copies of which are attached hereto as **Exhibit E**. In connection therewith, Mr. Taylor requested that the Board authorize Municipal Operations to write off one (1) account totaling \$10.61 as uncollectible. Following discussion, Director Angulo moved to authorize Municipal Operations to write off the account totaling \$10.61, as reflected in the uncollectible account listing attached to the Operations Reports. Director Bundscho seconded said motion, which unanimously carried.

Mr. Taylor then presented to and reviewed with the Board a Letter Agreement for Temporary Fuel Surcharge between the District and Inframark (the "Letter Agreement"), a copy of which is attached hereto as **Exhibit F**, and advised that Inframark is requesting that the District agree, for the period of one (1) year, that Inframark may add a flat percentage fuel surcharge of 0.4% of the invoiced amount for fuel each month if, during that month, the U.S. median gasoline price exceeds \$2.549 per gallon. Following discussion, Director Angulo moved to approve the Letter Agreement, subject to final review by SPH, and authorize the President to execute same on behalf of the Board and the District. Director Bundscho seconded the motion, which unanimously carried.

## ENGINEER'S REPORT

Mr. Johnson presented to and reviewed with the Board a written Engineer's Report dated November 10, 2022, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit G**.

In connection with the Phase II Wastewater Collector System Rehabilitation, Mr. Johnson presented to and reviewed with the Board Pay Application No. 6 in the amount of \$50,656.50, and requested approval of payment of same to T. Gray Utility & Rehab. Co. ("T. Gray"). A copy of Pay Application No. 6 is included in **Exhibit G**. Following discussion, Director Angulo moved to approve the payment of Pay Application No. 6 in the amount of \$50,656.50, 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.

### **REPORT ON THE DISTRICT'S GENERATOR, INCLUDING STATUS OF RECEIPT OF REVENUES ASSOCIATED WITH 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 (the "Facility"), Mr. Gaspard presented to and reviewed with the Board an On-site Generator Performance report dated November 9, 2022, a copy of which is attached hereto as **Exhibit H**.

Mr. Gaspard advised the Board that he and Keith Arrant of MOC met with PowerSecure's Director of Information Technology (the "IT Director") to discuss the District's capability to house at the Facility an on-site data storage system to provide the District with direct access to the generator's export channel data. Mr. Gaspard summarized for the Board the discussion had with the IT Director and advised that PowerSecure could install a meter at the Facility to support on-site data monitoring by the District. In that regard, Mr. Taylor advised the Board that the Facility, as it currently stands, does not have the ability to support the installation of a meter and would need to undergo a costly renovation in order to accommodate the meter and the necessary equipment. Mr. Gaspard then informed the Board that the District can access the generator's export channel data electronically by requesting a link to such data from PowerSecure. Following discussion, the Board concurred not to proceed with the installation of a meter at the Facility. Director Mayeu requested that Mr. Gaspard work to determine if there is a way to generate a report for the Board that contains the generator's export channel data produced by the District's monitoring system compared to the generator's export channel data produced by PowerSecure's monitoring system. Director Mayeu additionally requested that Mr. Gaspard provide the Board with an updated calculation of the amount of revenue currently owed to the District based on the generator's most recent run-times. Mr. Gaspard responded that he would work to address the requested items and would plan to attend the Board's next meeting to provide the Board with an update relative to same.

Mr. Gaspard exited the meeting at this time.

## EMINENT DOMAIN REPORT

Mr. Lai 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 to authorize SPH to prepare and file the required eminent domain report with the Comptroller prior to February 1, 2023. Director Bundscho seconded the motion, which passed unanimously.

## ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Mr. Lai presented to and reviewed with the Board correspondence received from Masterson Advisors, LLC, relative to disclosure requirements imposed by Municipal Securities Rulemaking Board Rule G-10, a copy of which is attached hereto as **Exhibit I**. Following discussion, the Board concurred to formally acknowledge receipt of said annual disclosure.

## CLOSED SESSION

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

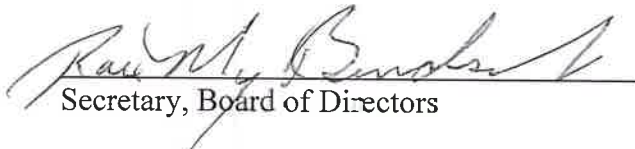
## FUTURE AGENDA ITEMS

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 – Amended Investment Policy and Resolution Regarding Review of Investment Policy
- Exhibit C – Tax Collector's Reports
- Exhibit D – Order Levying Taxes
- Exhibit E – Operations Report
- Exhibit F – Letter Agreement with Municipal Operations & Consulting, Inc. for Temporary Fuel Surcharge
- Exhibit G – Engineer's Report
- Exhibit H – On-Site Generator Performance Report
- Exhibit I – Masterson Advisors, LLC correspondence regarding Municipal Securities Rulemaking Board Rule G-10

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