

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

Minutes of Special Meeting of Board of Directors
August 31, 2023

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 36, of Harris County, Texas (the "District"), convened in special session, open to the public, on August 31, 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 Keith Arrant and Ryan Vaughan of Municipal Operations & Consulting, Inc. ("Municipal Operations"); Eric Johnson of IDS Engineering Group ("IDS"); Yaneth Cooper of Municipal Accounts & Consulting, L.P. ("MA&C"); Tim Spencer of Ad Valorem Appraisals, Inc. ("Ad Valorem"); Sherri Greenwood of FORVIS, LLP ("FORVIS"); and Eric Lai and Peyton Ellis of Schwartz, Page & Harding, L.L.P. ("SPH"). Debbie Shelton of Masterson Advisors LLC ("Masterson") entered the meeting after it was called to order, as noted herein.

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 10, 2023. After discussion, Director Angulo moved that the minutes of the meeting held on August 10, 2023, be approved as presented. Director Bundscho seconded said motion, which unanimously carried.

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, Mr. Lai advised the Board that SPH has prepared and provided to Prologis, L.P. ("Prologis") for review and execution, the documentation necessary to seat Mr. Mark Carter and Mr. Steve Mathias on the Board of Directors. He further advised that

Prologis has not yet provided SPH with the executed documentation and, as such, requested that the Board defer the appointment of Mssrs. Carter and Mathias until such documentation is received from Prologis. Following discussion, the Board deferred consideration of the appointment of Mssrs. Carter and Mathias at this time, and concurred to reconsider the matter at next month's meeting, subject to receipt by SPH of the executed documentation from Prologis.

ENGAGEMENT OF AUDITOR TO PREPARE THE DISTRICT'S AUDIT REPORT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2023

The Board considered the engagement of an auditor to prepare the District's audit report for the fiscal year ending September 30, 2023. In connection therewith, Ms. Greenwood presented to and reviewed with the Board an engagement letter prepared by FORVIS relative to the preparation of the District's audit report for the fiscal year ending September 30, 2023, a copy of which is attached hereto as **Exhibit A**, and advised that the estimated fee for performing the District's audit and preparing the audit report is approximately \$19,200, plus an administrative fee of \$1,000 to cover items such as report production, postage, copies, delivery charges, and technology related costs. Following discussion, Director Angulo moved to approve the engagement of FORVIS to conduct the required audit for the District's fiscal year ending September 30, 2023, and to authorize the President to execute FORVIS's engagement letter on behalf of the Board and the District. Director Bundscho seconded said motion, which carried unanimously.

BOOKKEEPER'S REPORT

Ms. Cooper presented to and reviewed with the Board a Bookkeeper's Report dated August 31, 2023, including checks presented for payment, a copy of which is attached hereto as **Exhibit B**. Ms. Cooper additionally presented to and reviewed with the Board a Quarterly Investment Inventory Report ("Investment Report"), as prepared by MA&C, for the reporting period ended June 30, 2023, a copy of which is included in the Bookkeeper's Report. Following discussion of the reports presented, it was moved by Director Angulo, seconded by Director Bundscho, and unanimously carried, that: (i) the Bookkeeper's Report be approved and the disbursements identified therein be approved for payment, and (ii) the Investment Report be approved and the District's Investment Officer be authorized to execute same on behalf of the Board and the District.

OPERATING BUDGET

The Board considered the adoption of an operating budget for the District's fiscal year ending September 30, 2024. In connection therewith, Ms. Cooper presented to and reviewed with the Board the proposed operating budget for the District's fiscal year ending September 30, 2024, a copy of which is included in the Bookkeeper's Report. Following review and discussion, it was moved by Director Angulo, seconded by Director Bundscho, and unanimously carried, that the proposed operating budget for the fiscal year ending September 30, 2024 be approved, subject to the incorporation by MA&C of the District's 2023 tax rate information.

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, 2023, including a list of bills and charges to be paid out of the District's Tax Account for the month ended August 31, 2023, a copy of which is attached hereto as **Exhibit C**. Mr. Spencer additionally presented to and reviewed with the Board the District's 2023 certified values, as determined by the Harris Central Appraisal District, and the completed 2023 Effective Tax Rate Worksheet, copies of which are included with the Tax Collector's Report. Following discussion, Director Angulo moved that the Tax Collector's Report and the disbursements reflected therein be approved, as presented. 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.

RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2023 TAX RATE

After noting that Ms. Shelton, the District's Financial Advisor, had not yet arrived to the meeting, the Board concurred to defer consideration of the recommendation concerning the District's proposed 2023 tax rate until after Ms. Shelton's arrival.

OPERATIONS REPORT

Mr. Vaughan presented to and reviewed with the Board a written Operations Report for the month of July 2023, a copy of which is attached hereto as **Exhibit D**. Following review and discussion, it was noted that no action was required by the Board in connection with the Operations Report.

ENGINEER'S REPORT

Mr. Johnson presented to and reviewed with the Board a written Engineer's Report dated August 31, 2023, 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, Mr. Johnson presented to and reviewed with the Board Pay Application No. 10 and Final in the amount of \$56,785.74, and requested approval for the payment of same to T. Gray Utility & Rehab. Co. ("T. Gray"). A copy of Pay Application No. 10 and Final is included in **Exhibit E**. Following discussion, Director Angulo moved to approve the payment of Pay Application No. 10 and Final in the amount of \$56,785.74, to T. Gray. Director Bundscho seconded the motion, which unanimously carried.

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

Director Mayeu advised that he had nothing new to report to the Board at this time in connection with the District's receipt of revenue for operation of the District's generator at its Water Plant.

DEVELOPER REPORT

The Board deferred discussion of the Developer Report, as no developer was present at the meeting.

ATTORNEY'S REPORT

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

Ms. Greenwood exited the meeting at this time.

Ms. Shelton entered the meeting at this time.

RECEIVE THE FINANCIAL ADVISOR'S RECOMMENDATION CONCERNING THE DISTRICT'S PROPOSED 2023 TAX RATE

Upon acknowledging Ms. Shelton's arrival, the Board considered the Financial Advisor's recommendation concerning the District's proposed 2023 maintenance tax rate. Ms. Shelton presented to and reviewed with the Board Masterson's recommendation regarding the proposed 2023 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 providing notice of the District's intention to adopt a 2023 tax rate. Mr. Lai 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. Lai 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: (i) the Board accept the Financial Advisor's recommendation of a proposed 2023 maintenance tax rate

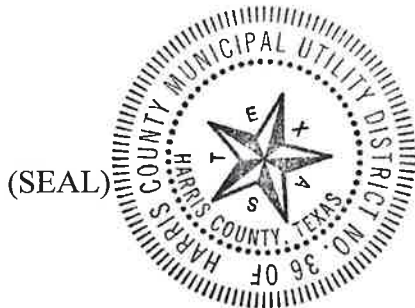
of \$0.14 per \$100 of assessed valuation, and (ii) the District's Tax Assessor-Collector be authorized to publish notice of the District's intention to adopt such 2023 tax rate at its next meeting, in the form and at the time required by law. Director Bundscho seconded said motion, which unanimously carried. The Board concurred that the notice should be published by the Tax Assessor-Collector in *The Houston Chronicle* in the section directed to the zip code(s) in which the District is located.

FUTURE AGENDA ITEMS

The Board next considered items for placement on future agendas. In connection therewith, Mr. Spencer advised the Board that the data processing fee relative to the District's tax account has increased from \$1.15 per month, per account, to \$2.25 per month, per account, and requested that an item be placed on next month's meeting agenda to consider approval of such fee increase. Following discussion of the matter, it was moved by Director Angulo, seconded by Director Bundscho, and unanimously carried, that the Board approve the data processing fee increase from \$1.15 per month, per account, to \$2.25 per month, per account, subject to the ratification of such action by the Board at next month's meeting.

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

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

LIST OF ATTACHMENTS TO MINUTES

- Exhibit A** – Engagement Letter of FORVIS, LLP
- Exhibit B** – Bookkeeper's Report
- Exhibit C** – Tax Assessor-Collector's Report
- Exhibit D** – Operations Report
- Exhibit E** – Engineer's Report
- Exhibit F** – Financial Advisor's 2023 Tax Rate Recommendation

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