

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

Minutes of Meeting of Board of Directors  
July 13, 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 July 13, 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"); Rahi Patel of Municipal Accounts & Consulting, L.P. ("MA&C"); Chris Davy of Ad Valorem Appraisals, Inc. ("Ad Valorem"); Steve Mathias, a member of the public; 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 May 11, 2023. After discussion, Director Angulo moved that the minutes of the meeting held on May 11, 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, Steve Mathias introduced himself to the Board and expressed a desire to be appointed a Director of the District. 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. 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 Mr. Mathias until such documentation is received from Prologis. Following discussion, the Board deferred consideration of the appointment of Mr. 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.

### **BOOKKEEPER'S REPORT**

Mr. Patel presented to and reviewed with the Board a Bookkeeper's Report dated July 13, 2023, including checks presented for payment, a copy of which is attached hereto as **Exhibit A**. Upon review of such Report, Mr. Patel directed the Board's attention to the District's Investment Detail and inquired as to whether the Board desired to authorize the purchase of any new Certificates of Deposit ("CDs") for the District, as interest rates have improved due to the stabilizing conditions of the investment market. Following discussion, 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) MA&C be authorized to proceed with the immediate purchase of one (1) CD in the amount of \$235,000 for a one-year term, on behalf of the Board and the District, and the subsequent purchase of three (3) additional CDs in the amount of \$235,000, each, with scheduled maturities in February, March and April 2024, respectively.

### **ADOPTION OF RESOLUTION AUTHORIZING INCREASE IN FEES OF OFFICE**

The Board considered adoption of a Resolution Authorizing an Increase in the Fees of Office. Mr. Lai advised the Board that House Bill 2815, passed by the 88<sup>th</sup> Texas Legislature, amends Section 49.060 of the Texas Water Code to allow for an increase in director fees of office up to the amount of the per diem set by the Texas Ethics Commission for members of the legislature. Following discussion, Director Angulo moved that the Resolution Authorizing Increase in Fees of Office, attached hereto as **Exhibit B**, be approved, and that the President and Assistant Secretary be authorized to execute same on behalf of the Board and District. Director Bundscho seconded the motion, which unanimously carried.

### **ADOPTION OF ORDER ADOPTING A CODE OF ETHICS, FEES AND EXPENSE POLICY, POLICY RELATING TO CONSULTING SERVICES, UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS, POLICY RELATING TO ADOPTION OF ANNUAL OPERATING BUDGET, AND CREATING AN AUDIT COMMITTEE ("CODE OF ETHICS")**

Mr. Lai presented to and reviewed with the Board a proposed Code of Ethics, a copy of which is attached hereto as **Exhibit C**, and advised that the language relative to the Fees and Expense Policy has been updated to provide that, with Board approval, directors may claim fees of office for the virtual attendance or watching of recorded

sessions of conferences, but limited in number to the actual number of days of the conference during which live presentations were made. Following discussion, Director Angulo moved that the Code of Ethics be approved, that the District's prior adopted code of ethics be revoked, and that the President and Assistant Secretary be authorized to execute the Code of Ethics on behalf of the Board and District. Director Bundscho seconded the motion, which unanimously carried.

### **RESOLUTION ADOPTING LIST OF QUALIFIED BROKERS**

The Board considered adopting a list of qualified brokers authorized to engage in investment transactions with the District. In that regard, Mr. Lai advised the Board that the District's Investment Officer is recommending three (3) additional financial institutions for inclusion on the list of qualified brokers previously adopted by the Board at its January 12, 2023 meeting. He then presented to and reviewed with the Board a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, together with an updated list of potential financial institutions, brokers and dealers with which the District may engage in investment transactions, including the aforementioned three (3) additional financial institutions. Mr. Lai noted that, though the broker list presented is a list of potential institutions compiled with the input of the District's Investment Officer, it is ultimately the Board's decision as to where the District's funds are actually placed. Following discussion, Director Angulo moved that: (i) the Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District, attached hereto as **Exhibit D**, be approved and adopted by the Board and the District, and (ii) the President and Assistant Secretary be authorized to execute same on behalf of the Board and the District. Director Bundscho seconded said motion, which unanimously carried.

### **TAX ASSESSOR-COLLECTOR'S REPORT**

Mr. Davy presented to and reviewed with the Board written Tax Collector's Reports regarding tax collections within the District for the months ended May 31, 2023, and June 30, 2023, including a list of bills and charges to be paid out of the District's Tax Account for the month ended June 30, 2023, copies of which are attached hereto as **Exhibit E**. 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**

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 June 8, 2023, a copy of which is attached hereto as **Exhibit F**. During such review, it was noted that there were no items in the report requiring action by the Board at this time.

## **OPERATIONS REPORT**

Mr. Arrant presented to and reviewed with the Board written Operations Reports for the months of April and May 2023, copies of which are attached hereto as **Exhibit G**. Mr. Arrant reported that G-M Services conducted its semi-annual well performance test on the District's Water Well No. 1 ("Well No. 1") and that the results of such test indicate that Well No. 1 is operating in good condition with no problems noted.

Mr. Arrant requested that an item be placed on next month's meeting agenda to consider approval of an amendment to the Professional Services Agreement between the District and MOC.

## **ENGINEER'S REPORT**

Mr. Johnson presented to and reviewed with the Board a written Engineer's Report dated July 13, 2023, concerning engineering projects within the District, a copy of which is attached hereto as **Exhibit H**.

Mr. Johnson advised the Board that the District's Stormwater Quality Permit ("SWQ Permit") for the Sycamore Bend Detention Basin is due for annual renewal this month, and requested that the Board authorize IDS to prepare and submit the necessary permit renewal application to Harris County in connection therewith. Following discussion, Director Angulo moved to authorize IDS to prepare and submit the renewal application for the District's SWQ Permit in connection with the Sycamore Bend Detention Basin. Director Bundscho seconded the motion, which unanimously carried.

## **CRITICAL LOAD STATUS**

Mr. Lai next advised the Board that Section 13.1396 of the Texas Water Code, as amended, requires the Board to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District, and (b) immediately upon any change in the information to the above entities, as well as to the Office of Emergency Management of Harris County, the Public Utility Commission of Texas, and the Division of Emergency Management of the Office of the Governor. Following discussion, Director Angulo moved to authorize the District's consultants to provide the appropriate entities with the annual update to the District's information, as required. 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 the Board 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.

### **AMENDMENT TO THE DISTRICT'S THIRD AMENDED AND RESTATED DISTRICT INFORMATION FORM**

Mr. Lai presented to and reviewed with the Board an Amendment to the District's Third Amended and Restated District Information Form (the "Amendment"), and advised that such Amendment updates the form of Notice to Purchasers provided to purchasers of real property within the District in accordance with recent legislative amendments to Section 49.452, Texas Water Code. Following discussion, Director Angulo moved that the Amendment be approved and that all Board members in attendance at the meeting be authorized to execute same on behalf of the Board and District. Director Bundscho seconded said motion, which unanimously carried.

### **AUTHORIZE COMPLETION, EXECUTION AND FILING WITH THE SECRETARY OF STATE VOTING SYSTEM ANNUAL FILING FORM**

Mr. Lai requested that the Board authorize SPH to complete and submit a Voting System Annual Filing Form ("Voting Form") to the Secretary of State's Office on behalf of the District. He advised that, pursuant to the Texas Election Code, each political subdivision in the State of Texas is required to complete and file said Voting Form with the Secretary of State's Office on an annual basis, even if the District did not conduct an election during that particular year. Following discussion, Director Angulo moved that SPH be authorized to complete the Voting Form and file same with the Secretary of State's Office, as required by law. Director Bundscho seconded said motion, which unanimously carried.

### **RECORDS DESTRUCTION REQUEST**

The Board next considered a request from the District's Records Management Officer to destroy SPH's handwritten notes of Board meetings from February 10, 2022, to February 9, 2023, a copy of which is attached hereto as **Exhibit I**. Following discussion, Director Angulo moved that the destruction of SPH's handwritten notes be authorized, as requested, in accordance with the provisions of the District's Records Management Program. Director Bundscho seconded said motion, which unanimously carried.

### **ATTORNEY'S REPORT**

The Board considered the attorney's report. In connection therewith, Mr. Lai presented to and reviewed with the Board SPH's Legislative Summary of the 88<sup>th</sup> Regular

Session of the Texas Legislature, a copy of which is attached hereto as **Exhibit J**.

**CLOSED SESSION**

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

**FUTURE AGENDA ITEMS**

The Board next considered items for placement on future agendas. No specific agenda items, other than routine and ongoing matters and matters noted earlier in the meeting, were requested.

**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** – Resolution Authorizing an Increase in the Fees of Office
- Exhibit C** – Order Adopting a Code of Ethics, Fees and Expense Policy, Policy Relating to Consulting Services, Uniform Financial Accounting and Reporting Standards, Policy Relating to Adoption of Annual Operating Budget, and Creating an Audit Committee
- Exhibit D** – Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with the District
- Exhibit E** – Tax Assessor-Collector's Reports
- Exhibit F** – Delinquent Tax Report
- Exhibit G** – Operations Reports
- Exhibit H** – Engineer's Report
- Exhibit I** – Records Destruction Request
- Exhibit J** – Legislative Summary of the 88<sup>th</sup> Regular Session of the Texas Legislature