

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

AUGUST 18, 2021

The Board of Directors (the "Board" or the "Directors") of Fort Bend County Municipal Utility District No. 37 (the "District") met in regular session at 7:00 p.m., at 1301 Misty Bend, Katy, Texas 77494 on Wednesday, August 18, 2021, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code. The roll was called of the members of the Board, to-wit:

Rudy Ammer	President
Larry W. Davis	Vice President
Kenneth L. Comeaux	Secretary
Greg Murray	Assistant Secretary
Stephen Berckenhoff	Treasurer

All members of the Board were present, except for Directors Ammer and Murray, thus constituting a quorum. Also attending were Kim Shelnuitt of Myrtle Cruz, Inc. (the "Bookkeeper" or "MCI"), bookkeeper for the District; Russ Davis of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Bob Ring and Robert Lugo of Inframark (the "Operator" or "Inframark"), operator for the District; Jon Strange P.E. of JNS Engineers, engineer for the District ("Engineer"); Ray Young, P.E. of Water Engineers, Inc. (Project Engineer); Alan P. Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; and Allen Perez with the Westheimer Parkway Project ("Developer").

The Vice President, after finding that the notice of the meeting was posted as required by law and determining that a quorum of the Board was present, called the meeting to order and declared it open for such business as may regularly come before it.

1. Public Comment.

Mr. Perez updated the Board regarding the status of the 12" and 8" Water Line Project to serve KMK Development along Westheimer Parkway. He stated that Underground Construction Solutions, was the lowest qualified bidder, in the amount of \$157,495.00.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board authorized KMK Development to award the bid to Underground Construction Solutions, the lowest qualified bidder, in the amount of \$157,495.00.

Next, Mr. Perez presented a Certificate of Substantial Completion for the 10" Sewer Line Project by Vera Industries.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board authorized KMK Development to accept the sewer line as of August 13, 2021.

Mr. Ring then introduces Robert Lugo and informs the Board that he will be retiring.

2. Approval of Minutes. The Board next considered approval of the meeting minutes of July 21, 2021, which was previously distributed to the Board.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the minutes as presented.

3. Engage of Auditor for Fiscal Year Ending August 31, 2021.

Mr. Petrov presented an engagement letter for auditing services from McCall Gibson Swedlund Barfoot PLLC, the District's Auditor for the preparation of an audit of the District's financial statements for the fiscal year ending August 31, 2021 along with the TEC Form 1295, copies of which are attached hereto as Exhibit "A".

Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board engaged McCall Gibson Swedlund Barfoot PLLC to prepare an audit for the fiscal year ending August 31, 2021 and acknowledgment of the TEC Form 1295.

4. Bookkeeper's Report and Investment Report. Ms. Shelnutt previously distributed the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "B". She reviewed the written report and responded to questions. Discussion ensued.

a. Ms. Shelnutt next reviewed current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2021.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved 1) the Bookkeeper's Report and Investment Report, as presented, and 2) authorized payment of checks numbered 2203 through 2226 from the Operating Account.

b. Ms. Shelnutt next reviewed the Budget for fiscal year end August 31, 2022 with the Board. A copy of which is attached to the Bookkeeper's Report. The Board discussed the proposed budget with the Bookkeeper.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board adopted the Budget for FYE 8/31/22.

c. Next, the Board reviewed the Depository Pledge Agreement with Central Bank, a copy of which is attached hereto as Exhibit "B-1".

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Depository Pledge Agreement with Central Bank.

5. Tax Assessor/Collector Report. The Tax Assessor/Collector's Report was presented by Mr. Davis, a copy of which is attached hereto as Exhibit "C".

a. Mr. Davis reviewed with the Board the Tax Assessor/Collector's Report. He also responded to questions from the Board.

b. Mr. Davis next reported that 91.6% of the 2020 taxes had been collected as of July 31, 2021.

c. Mr. Petrov reviewed with the Board a Resolution Determining the District's Status for Tax Rate Calculation Purposes, a copy of which is attached hereto as Exhibit "C-1". Mr. Petrov also reviewed the tax calculations prepared by Equi-Tax. Discussion ensued. The Board then determined that the District is a Developed District, as defined by Texas Water Code, Section 49.23602.

Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Resolution Determining the District's Status for Tax Rate Calculation Purposes and thus determined that the District is a Developed District, as defined by Texas Water Code, Section 49.23602.

Next, the Board discussed setting the 2021 maintenance tax rate. The Board next discussed the process of publishing the net effective tax rate calculation and conducting a public hearing on the tax rate.

Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board authorized the Tax Assessor-Collector to publish the net effective tax rate calculation and a proposed maintenance tax rate of \$0.5098 per \$100 assessed valuation in the *Katy Times* and the notice of the public hearing on the 2021 tax rate to be held at the September 15th Board meeting.

d. Next, the Board reviewed the Candidates for Write-Off from the Delinquent Tax Roll, a copy of which is attached hereto as Exhibit "C-2".

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board authorized Equi-Tax to Write-Off the three (3) accounts from the Delinquent Tax Roll.

Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board 1) approved the Tax Assessor/Collector's Report, as presented and 2) authorized payment of check numbers 2333 thru 2334 from the Tax Account; and 3) approved the Delinquent Tax Attorney Report.

6. Operations Report. Mr. Ring presented the Operations Report, a copy of which is attached hereto as Exhibit "D".

a. Mr. Ring reviewed the current operations in the District with the Board and answered questions. Mr. Ring also reported seven (7) delinquent accounts scheduled for termination due to non-payment of water and sewer bills. No members of the public wished to comment on termination of water for non-payment of the water and sewer bills.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board 1) approved the Operations Report; and 2) authorized the termination of service to seven (7) delinquent accounts pursuant to the District's Rate Order.

7. Engineer's Report. Mr. Strange presented the Engineer's Report, a copy of which is attached hereto as Exhibit "E".

a. Mr. Strange updated with Board on the well repairs, stating they have been completed and begun monitoring sand. Mr. Strange reviewed his report and responded to questions from the Board.

b. Mr. Young reported on the status of construction plans for the Wastewater Plat Rehab and stated that construction plans are ready to bid.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board authorized Water Engineers to bid advertising within the next sixty (60) days, the exact time to be determined by the engineer based on plan approvals.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Reports.

8. City of Katy Emergency Services Monthly Stat Report. The Board reviewed the June Stat Report. No action was taken.

9. New Business/Annual Agenda.

a. Designate Engineer's Office as a Meeting Place and Approve Order Authorizing Additional Meeting Place(s), a copy of which is attached as Exhibit "F".

Mr. Petrov provided an Amended Order Designating Additional District Meeting Place of the District by adding the offices of the District Engineer, JNS Engineers LLC, 722 Pin Oak Road, Suite 202A, Katy, Texas 77494; and the offices of Water Engineers, Inc., 17230 Huffmeister Road, Suite A, Cypress, Texas 77429; as a meeting place outside the boundaries of the District and authorize Johnson Petrov to publish legal notice regarding same.

Upon motion by Director Comeaux, seconded by Director Berckenhoff, upon full discussion and with all Directors present voting aye, the Board adopted the Amended Order Designating Additional District Meeting Place Inside and Outside the Boundaries of the District and authorized Johnson Petrov to publish the legal notice regarding same.

b. Resolution Authorizing Electronic Bid Submission and Use of Civcast.

Mr. Petrov next presented to the Board a Resolution Adopting Rules for Electronic Submission of Bids; a copy of which is attached as Exhibit "G". Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Resolution Adopting Rules for Electronic Submission of Bids as presented.

