

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

DECEMBER 16, 2020

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., via Teleconference on Wednesday, December 16, 2020, 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:

Stephen Berckenhoff	President
Rudy Ammer	Vice President/Investment Officer/Co-Tax Compliance Officer
Larry W. Davis	Secretary
Kenneth L. Comeaux	Assistant Secretary
Greg Murray	Treasurer

All members of the Board were present, thus constituting a quorum. Also attending either in person or by Teleconference were Kim Shelnutt of Myrtle Cruz, Inc. (the "Bookkeeper" or "MCI"), bookkeeper for the District; David Ferrier of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Bob Ring of Inframark (the "Operator" or "Inframark"), operator for the District; Alan P. Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; Tim Applewhite, of McCall Gibson Swedlund Barfoot PLLC, auditor's for the District ("Auditor"); and Robert Pechukas a representative of Fort Bend County Commissioner's Office, Precinct 3.

The 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. Robert Pechukas reported on road projects near the District, including Pin Oak and Katy Fluellen.

2. Approval of Minutes. The Board next considered approval of the regular meeting minutes of November 18, 2020, which was previously distributed to the Board. Upon motion by Director Davis, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the minutes as presented.

3. Audit Report. Mr. Applewhite presented and reviewed the draft audit report for the fiscal year ended August 31, 2020, a copy of which is attached hereto as Exhibit "A". Mr. Applewhite responded to questions from the Board.

Upon motion by Director Murray, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the audit report.

4. Bookkeeper's Report and Investment Report. Ms. Shelnutt 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 first reviewed the written report and responded to questions from the Board.

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

Upon motion by Director Davis, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report and Investment Report, as presented, authorized payment of checks numbered 2021 through 2043 from the Operating Account.

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

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

b. Mr. Ferrier next reported that 8.9% of the 2020 taxes had been collected as of November 30, 2020.

c. The Board reviewed the Delinquent Tax Collection Report attached hereto as Exhibit "C-1", prepared by Thornhill Law Firm with the Board and noted that one (1) account remained unpaid.

Upon motion by Director Ammer, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board 1) approved the Tax Assessor/Collector's Report, as presented 2) authorized payment of check numbers 2290 thru 2293 from the Tax Account and 3) approved the Delinquent Tax Attorney Report, including water service termination for the remaining unpaid account.

6. Operations Report. Next, 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.

b. Next, Mr. Ring also reported there were eight (8) 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.

Next Mr. Ring presented a request to waive a late fee. He noted that the customer had no history of late payment and the Board discussed possible issues with mail delivery.

Finally, Mr. Ring presented a request for reimbursement from a customer related to a sewer line repair. The Board reviewed photos of the line which appeared to show damage to the District's line caused by the excavation by the customer's plumber.

Upon motion by Director Ammer, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board 1) approved the Operations Report; 2) authorized termination of service to eight (8) delinquent accounts pursuant to the District's Rate Order; 3) authorized waiver of one (1) late fee; and denied the request to reimburse the customer for repair to the District's line, but authorized the Attorney to draft a letter to the customer and the customer's plumber informing both of the damage and advising both of the penalties for working on the District's lines.

7. Engineering Report. Mr. Leyendecker was not presented at tonight's meeting.

8. New Business/Annual Agenda.

a. Fort Bend County Commissioner's Office Representative, Precinct 3 regarding road improvements.

Addressed under Public Comment.

b. Review 2021 Annual Agenda. Mr. Petrov distributed the 2021 Annual Agenda for the Board's review, a copy of which is attached as Exhibit "F." Mr. Petrov noted that the Annual Agenda was for informational purposes and no official Board action was needed on this item. The Board President asked that review of the trash collection contract be oved up to February on the annual agenda.

9. Old Business.

a. Update on Fire Protection Services with the City of Katy.

Mr. Petrov presented and reviewed an agreement for Emergency Services with the City of Katy, a copy of which is attached hereto as Exhibit "E." Mr. Petrov also discussed with the Board a letter to apprise the residents of the District about the services for Fire & EMS, including the collection of fees on the monthly water bills. Discussion ensued.

Upon motion by Director Murray, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved an agreement for Emergency Services with the City of Katy, including a notice regarding same to be included with the customer's water bill and a more detailed letter to be posted on the District's website.

b. Discussion and possible action concerning Districts Rate Order. The Board discussed amending the District's Rate Order to add a \$24.00 per month fee for the customer's within Pin Oak Village subdivision to cover the costs related to Fire/EMS Services provided by the City of Katy. It was noted that this increase would not apply to areas of the District already taxed by and receiving service from ESD No. 2.

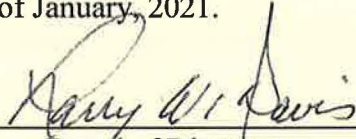
Upon motion by Director Murray, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved amending the District's Rate Order by

adding a \$24.00 per month fee for the customer's within Pin Oak Village subdivision to cover the costs related to Fire/EMS Services provided by the City of Katy.

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

SIGNED, PASSED and APPROVED this 20th day of January, 2021.

[DISTRICT SEAL]


Secretary, Board of Directors

EXHIBITS:

- A - Audit Report
- B - Bookkeeper's Report
- C - Tax Assessor/Collector's Report
- C-1- Delinquent Tax Attorney Report
- D - Operations Report
- E - Agreement for Emergency Services with the City of Katy
- F - 2021 Annual Agenda

