

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**OCTOBER 19, 2022**

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, October 19, 2022, 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:

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

All members of the Board were present, thus constituting a quorum. Also attending were Kim Shelnett of Myrtle Cruz, Inc. (the "Bookkeeper" or "MCI"), bookkeeper for the District; Lucian Landreville of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Robert Lugo of Inframark (the "Operator" or "Inframark"), operator for the District; Jon Strange P.E. of JNS Engineers, engineer for the District ("Engineer"); Justin Jenkins of McCall Gibson Swedlund Barfoot PLLC (the "Auditor"); Joseph "Will" Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; Allen Perez with the Westheimer Parkway Project ("Developer"), and Diane Wilson, a residents of the District.

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.

Ms. Wilson spoke to the Board, regarding two (2) manhole issues.

The HOA continues to have issues regarding the berm.

2. Approval of Minutes. The Board next considered approval of the special meeting minutes of September 15, 2022 and the regular meeting minutes of September 21, 2022, which were previously distributed to the Board.

Upon motion by Director Murray, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the special meeting minutes of September 15, 2022 subject to a certain revision and the regular meeting minutes of September 21, 2022, as presented.

3. 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 "A". Ms. Shelnutt reviewed the written report and responded to questions. Discussion ensued.

Upon motion by Director Gilliland, 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 from the Operating Account and Central Bank.

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

a. Mr. Landreville reviewed with the Board the Tax Assessor/Collector's Report. He also responded to questions from the Board. Mr. Landreville next reported that 99.1% of the 2021 taxes had been collected as of September 30, 2022.

b. Mr. Landreville then presented and reviewed the Delinquent Tax Collection Report prepared by the Thornhill Law Firm, a copy of which is attached hereto as Exhibit "B-1". Mr. Landreville reported three (3) outstanding account holders, all accounts have been notified of 2021 tax, penalty and interest amounts that are past due. Mr. Landreville stated that any remaining unpaid accounts with a previous year balance will be added to the delinquent list for collection/termination of water services.

Upon motion by Director Berckenhoff, seconded by Director Gilliland, 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 2381 thru 2385 from the Tax Account; and 3) approved the Delinquent Tax Attorney Report, including termination of delinquent accounts.

5. Operations Report. Mr. Lugo presented the Operations Report, a copy of which is attached hereto as Exhibit "C".

a. Mr. Lugo reviewed the current operations in the District with the Board and answered questions.

Mr. Lugo also reported thirty-one (31) 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. Discussion ensued.

b. Automated Meter Reading (AMR) Installation Notice. This was tabled.

Upon motion by Director Comeaux, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board 1) approved the Operations Report; and 2) authorized termination of service to thirty-one (31) delinquent accounts pursuant to the District's Rate Order.

6. Engineer's Report.

a. Mr. Strange reviewed the Engineer's Report, a copy of which is attached hereto as Exhibit "D" with the Board and responded to questions.

Mr. Strange also reviewed with the Board an updated Facility Replacement Costs and the recommended the insurance policy be updated, a copy of which is attached to the Engineer's Report.

Next, Mr. Strange reviewed with the Board the maintenance of the Ditch from Katy Mills to Westheimer Parkway. He recommended a letter be sent to Simons to mow and clear the ditch.

b. Reimbursement to KMK Development. The Board discussed and reviewed the repayment schedule under the terms of the Reimbursement Agreement.

Upon motion by Director Gilliland, seconded by Director Comeaux, after full discussion and all Directors present voting aye, with the exception of Director Berckenhoff who abstained, the Board approved 1) the KMK Development property as self-sustaining as described by the reimbursement agreement; 2) reimbursement amounts of \$559,949.47, which includes interest of \$24,806.76 as stated in the reimbursement; and 3) an initial reimbursement of \$300,000.00 to KMK Development.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved 1) the Engineer's Report, 2) approved the updated Facility Replacement Costs; and 3) authorized JP to send a letter to Simons regarding the maintenance of the Ditch from Katy Mills to Westheimer Parkway.

7. New Business. Discussion and possible action regarding assignment of the reimbursement agreement with Allen Perez and Andrea Perez, a copy of which is attached hereto as Exhibit "D". Upon motion by Director Murray, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved assignment of the reimbursement agreement with Allen Perez and Andrea Perez.

8. City of Katy Emergency Services Monthly Stat Report. The Board reviewed the September Stat Report, a copy of which is attached hereto as Exhibit "E." No action was taken.

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

SIGNED, PASSED and APPROVED this 16<sup>th</sup> day of November, 2022.



  
Secretary, Board of Directors

**EXHIBITS:**

- A - Bookkeeper's Report
- B - Tax Assessor/Collector's Report
- B-1- Delinquent Tax Attorney Report
- C - Operations Report
- D - Assignment/Reimbursement Agreement (Allen Perez and Andrea Perez)
- E - City of Katy Stat Report