

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

AUGUST 17, 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, August 17, 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 Berkenhoff	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; Clay Brandenburg 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"); Alan P. Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; Allen Perez with the Westheimer Parkway Project ("Developer"), as well as 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.

One resident commented that she had a water leak at her house, which Inframark fixed, but in fixing the leak, Inframark buried her water meter. She stated that the buried water meter resulted in another leak two (2) weeks later. Inframark has fixed that leak as well, however she recommended that they be more careful in their work.

Another resident commented on a sinkhole developing in the road on Misty Bend in front of his house. The residents, Jeff and Monica Oldham are now experiencing damage to their driveway and driveway gate column. They contacted the County, and the County told them it is a water District problem. Mr. Strange advised that he did not believe it to be cause by a water district line. The Board asked Mr. Strange to contract the County and investigate the issue.

2. Approval of Minutes. The Board next considered approval of the regular meeting minutes of July 20, 2022, which were 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 subject to certain corrections.

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.

Ms. Shelnutt asked Messrs. Strange and Petrov if there would be any additional invoices to submit on the Broadway Construction matter. Messrs. Strange and Petrov responded no, and advised her that she could process a refund for the remaining balance.

Upon motion by Director Gilliland, seconded by Director Berckenhoff, 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.

b. Mr. Landreville next reported that 98.8% of the 2021 taxes had been collected as of July 31, 2022.

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 that all outstanding account holders have been notified of 2021 tax, penalty and interest amounts that are past due. He also stated that any remaining unpaid accounts with a previous year balance will be added to the delinquent list for collection/termination of water services.

c. Mr. Landreville reviewed with the Board the proposed 2022 Tax Rate. The Board 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 Gilliland, 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 \$0.48050 per \$100 assessed valuation in the *Katy Times* and the notice of the public hearing on the 2022 tax rate to be held at the September 21st Board meeting.

Upon motion by Director Comeaux, 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 2372 thru 2376 from the Tax Account; and 3) approved the Delinquent Tax Attorney Report.

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

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

Mr. Brandenburg also reported nineteen (19) 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.

Upon motion by Director Comeaux, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board 1) approved the Operations Report; and 2) authorized termination of service to nineteen (19) 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.

b. Mr. Perez updated the Board on the status of the KMK Development. Mr. Strange reported that a one-year warranty inspection was performed concerning the Sanitary Sewer Extension for the KMK Development Project (Allen Perez project) and that he recommended acceptance by the District.

c. Mr. Strange also updated the Board on the WWTP Rehab Monitoring Project. He also presented and reviewed Pay Application No. 2 to SiteCon in the amount of \$99,945.00 and recommended the Board approve the Pay Application.

Upon motion by Director Comeaux, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board approved 1) the Engineer's Report, 2) Pay Application No. 2 to SiteCon in the amount of \$99,945.00; and 3) Acceptance of the Sanitary Sewer Extension for the KMK Development Project.

7. New Business.

a. Insurance Renewal Proposals. The Board accepted the proposal from Arthur Gallagher, a copy of which is attached hereto as Exhibit "E." The Board also requested quotes from TWCA, Risk Management Pool.

Upon motion by Director Comeaux, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board approved the insurance renewal proposal from Arthur Gallagher, but also requested quotes from TWCA, Risk Management Pool.

b. Best Trash LLC. No action taken at this time.

c. Engage Auditor for Fiscal Year Ending August 31, 2022 and Auditor Reimbursement for KMK Development Project. Mr. Jenkins presented and reviewed the Engagement Letter prepared by McCall Gibson Swedlund Barfoot PLLC along with the TEC Form 1295, copies of which are attached hereto as Exhibit "F".

Upon motion by Director Berckenhoff, seconded by Director Murray, 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, 2022 and the Reimbursement Audit, and acknowledgment of the TEC Form 1295.

d. AWBD Mid-Winter Conference. Next, the Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") the 2023 Mid-Winter Conference, Friday, January 27 thru Saturday, January 28, in Austin, Texas.

Upon motion by Director Comeaux, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance to the AWBD 2023 Mid-Winter Conference, Friday, January 27 thru Saturday, January 28, in Austin, Texas.

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

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

SIGNED, PASSED and APPROVED this 21st day of September, 2022.



G Murray
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 - Engineer's Reports
- E - Insurance Renewal
- F - Auditor Engagement
- G - City of Katy July Stat Report