

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

AUGUST 16, 2023

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 16, 2023, pursuant to notice of said meeting posted in accordance with Chapter 551 of the Texas Government Code. The roll was called, the members of the Board, to-wit:

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

All members of the Board were present, with the exception of Director Murray, 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 and Randy Davila of Inframark (the "Operator" or "Inframark"), operator for the District; Jon Strange P.E. of JNS Engineers, engineer for the District ("Engineer"); Allen Perez with the Westheimer Parkway Project ("Developer"); Ben Jones; Nino Corbett, Developer, Dane Turner of Best Trash and Joseph "Will" Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for 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. There being no public comment, the President directed the Board to proceed with the agenda.

2. Approval of Minutes. The Board next considered approval of the regular meeting minutes of July 19, 2023, which were previously distributed to the Board.

Upon motion by Director Berckenhoff, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board approved regular meeting minutes of July 19, 2023 as presented.

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

Ms. Shelnutt next reviewed the Budget for fiscal year end August 31, 2024 with the Board. A copy of which is attached to the Bookkeeper's Report.

Upon motion by Director Gilliland, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board adopted the Budget for FYE 8/31/24.

Upon motion by Director Gilliland, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved 1) approved the Bookkeeper's Report and Investment Report, as presented and 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. Mr. Landreville also responded to questions from the Board. He reported that 98.8% of the 2022 taxes had been collected as of July 31, 2023.

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; and 2) authorized payment of check numbers 2424 thru 2427 from the Tax Account.

b. Delinquent Tax Collection Report, prepared by The Thornhill Law Firm, P.C., a copy of which is attached hereto as Exhibit "B-1." The Board reviewed the report. No action was needed at this time.

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

a. Mr. Davila and Mr. Brandenburg next reviewed the current operations in the District with the Board and answered questions. Mr. Brandenburg also reported ten (10) 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 Davis, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Operations Report; and 2) authorized termination of service to ten (10) delinquent accounts pursuant to the District's Rate Order.

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

a. Mr. Strange reviewed the Engineer's Report with the Board and responded to questions.

- b. Update on service request by Developers, if any including annexation requests.

Mr. Strange recommended the District grant request to Lucky Star City Corp Tract, west of the Soccer Fields for capacity to serve up to 150 ESFC per month for water and wastewater capacity and authorize Johnson Petrov to prepare and send a Utility Commitment Letter to include an additional \$10,000 deposit for capacity to serve up to 150 ESFC per month for water and wastewater capacity.

Upon motion by Director Davis, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board authorized Johnson Petrov to prepare and send a Utility Commitment Letter, conditioned upon the receipt by the District of a \$10,000 deposit from Lucky Star City Corp., for capacity to serve up to 150 ESFC per month for water and wastewater capacity.

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

- a. Update on Engineering/Construction projects, if any. See Engineer's Report.
- b. Update and possible action on other projects within the District. See Engineer's Report.

7. New Business.

- a. Engage Auditor for Fiscal Year Ending August 31, 2023. Ms. Alyssa Saccomen 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 "E".

Upon motion by Director Gilliland, 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, 2023 and acknowledgment of the TEC Form 1295.

- b. Discuss Insurance Renewal. The Board then discussed the District's insurance renewal. Mr. Petrov presented the proposal from Arthur Gallagher. Mr. Petrov noted that the expiring premium was \$15,963 and the renewal premium is \$18,089, a difference of \$2,126.

Upon motion by Director Davis, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board accepted the proposal of Arthur Gallagher, a copy of which is attached as Exhibit "F."

- c. Enstor Gas Storage Facility Assignment. No action was taken at this time.

d. Legislative Update.

Mr. Petrov presented to and reviewed with the Board, a memo entitled "Legislative Update for the 88th Texas Legislature (2023)", which summarizes the actions of the recently concluded legislative session, with particular attention to changes in law that directly affect the District.

e. Discussion regarding the Fees of Office.

Mr. Petrov reported to the Board that the Texas Ethics Commission recently increased the per diem amount from \$150 to \$221, however, the annual cap that a director may receive remains at \$7,200. In order for the Board to set this increase, the Board must amend its Ethics Policy. Discussion ensued.

Upon motion by Director Berckenhoff, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board approved amending the District's Ethics Policy to reflect a per diem equal to the amount set by the Texas Ethics Commission for the Legislature.

f. Notice to Purchaser.

Mr. Petrov stated that as a result of the 88th Texas Legislature, specific language must be included in all notice to purchasers and that the District is also required to maintain a website or have access to one under the Tax Code and post the notice to purchasers on the applicable website.

Upon motion by Director Berckenhoff, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board approved amending the notice to purchaser ("notice") and posting the notice on the District's website.

g. Social Medial Policy. Mr. Petrov then explained SB1893, as a result of the 88th Texas Legislature, which states that that a district shall adopt a policy prohibiting the installation of or use of an application, developed or provided by ByteDance Limited (developer of Tik-Tok) or specified by a proclamation of the governor, on any device owned or leased by the governmental entity, including districts.

Upon motion by Director Berckenhoff, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board approved Johnson Petrov to prepare a policy prohibiting the installation of or use of an application, developed or provided by ByteDance Limited or specified by a proclamation of the governor, on any device owned or leased by District.

8. City of Katy Emergency Services Monthly Stat Report. The Board reviewed the 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 20th day of September, 2023.




Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report
- B - Tax Assessor-Collector Report
- B-1- Delinquent Tax Report
- C - Operations Report
- D - Engineer's Report
- E - Auditor Engagement
- F - Insurance Renewal
- G - City of Katy Stat Report