

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

AUGUST 26, 2024

The Board of Directors (the "Board" or the "Directors") of Fort Bend County Municipal Utility District No. 37 (the "District") met in special session at 7:00 p.m., at 1301 Misty Bend, Katy, Texas 77494 on Monday, August 26, 2024, 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:

Greg Murray	President
Stephen Berckenhoff	Vice President
Jeff Gilliland	Secretary
Larry W. Davis	Assistant Secretary
Kenneth L. Comeaux	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; Randy Davila of Inframark (the "Operator" or "Inframark"), operator for the District; Jon Strange of JNS Engineers LLC (the "Engineer" or "JNS") engineer for the District; Joseph "Will" Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; and Bryan Matthey, a resident 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. Bryan Matthey spoke to the Board regarding questions on the draft budget.

2. Approval of Minutes. The Board next considered approval of the regular meeting minutes of July 17, 2024, and the special meeting minutes of July 18, 2024 and July 31, 2024, which were previously distributed to the Board.

Upon motion by Director Gilliland, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the regular meeting minutes of July 17, 2024, and the special meeting minutes of July 18, 2024 and July 31, 2024.

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. Shelnutt reviewed the written report and responded to questions. Discussion ensued.

Ms. Shelnutt next reviewed the Budget for fiscal year end August 31, 2025 with the Board. A copy of which is attached to the Bookkeeper's Report.

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 8/31/25.

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

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 99.2% of the 2022 taxes and 99.0% of the 2023 taxes had been collected as of July 31, 2024.

b. Mr. Landreville presented check nos. 2482 through 2485 for the Board's approval.

c. The Board next reviewed a Resolution Determining District's status for Tax Rate Calculation Purposes, a copy of which is attached hereto as Exhibit "B-1."

The Board reviewed definitions for the three (3) categories that a district can be characterized with the Board: i) being a Low Tax Rate District, as defined by Texas Water Code, Section 49.23601, as a district with a maintenance and operating tax under 2.5%, and would be allowed an annual tax increase not to exceed eight (8%) percent except by a mandatory election; ii) being a Developed District, as defined by Texas Water Code Section 49.23602, as a district that has 95% of its infrastructure built out, constructed and paid for, and would be allowed an annual tax increase not to exceed 3.5%, except by a mandatory election or iii) a "Developing District," as defined by Texas Water Code, Section 49.23603, in which an annual tax increase that does exceed 8%, is subject to an election only if you receive a petition from the required number of residents under the Water Code.

Upon motion by Director Murray, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Resolution Determining District's status for Tax Rate Calculation Purposes as a Developed District in a Disaster Area.

d. 2024 Proposed Tax Rate, Authorize Publication of Effective Tax Rate Calculation, and Establish Public Hearing Date regarding 2024 Tax Rate.

Mr. Petrov reviewed with the Board the proposed 2024 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 a roll call vote was taken, and with all Directors present voting aye, the Board authorized the publication of the net effective tax rate calculation and a proposed maintenance tax rate of \$0.445045 per \$100 assessed valuation and the notice of the public hearing on the 2024 tax rate to be held at the September 18th Board meeting in the *Katy Times*.

e. Delinquent Tax Collection Report, prepared by The Thornhill Law Firm, P.C., a copy of which is attached hereto as Exhibit "B-2." The Board reviewed the report. No action was needed at this time.

f. Consideration and Possible Action Regarding Contract with Tax Assessor Collector. The Board reviewed an amended contract with Equi Tax Inc., a copy of which is attached hereto as Exhibit "B-3."

Upon motion by Director Davis, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the amended contract with Equi Tax Inc.

Upon motion by Director Gilliland, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved 1) the Tax Assessor/Collector's Report, 2) approved payment of check nos. 2482 through 2485; and 3) Delinquent Tax Collection Report.

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

Mr. Davila next reviewed the current operations in the District with the Board and answered questions. Mr. Davila reported no excursions for the month of July.

Mr. Davila also reported twelve (12) delinquent accounts scheduled for termination due to non-payment of water and sewer bills and one (1) collection account totaling \$108.67. No members of the public wished to comment on termination of water for non-payment of the water and sewer bills. Discussion ensued.

Mr. Davila then reviewed the draft of the District's Water Conservation Plan and Drought Contingency Plan (the "WCP" and "DCP"), a copy of which is attached hereto as Exhibit "C-1".

Upon motion by Director Berckenhoff, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board (i) authorized termination of service to twelve (12) delinquent accounts and one (1) collection account totaling \$108.67, pursuant to the District's Rate Order; (ii) approved the Operations Report; and (iii) Resolution Adopting the Water Conservation Plan/Drought Contingency Plan.

6. Engineer's Report. The Board reviewed the Engineer's Report, a copy of which is attached hereto as Exhibit "D".

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

Mr. Strange presented and reviewed the Engineer's Report. He then presented and reviewed a letter from the North Fort Bend Water Authority (the "NFBWA") requesting a variance for the funding of the design and construction of the new disinfection system for surface water delivery, a copy of which is attached to the Engineer's Report.

Upon motion by Director Gilliland, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board authorized JNS to prepare a variance letter to the NFBWA.

Next, Mr. Strange then requested Board authorization for JNS to request a proposal for the erosion repair on the north maintenance berm area.

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

See Engineer's Report.

- c. Update on Engineering/Construction projects, if any.

Mr. Strange updated the Board regarding KMK Development and he requested Board authorization for JNS to proceed with the construction of project when KMK has started the Site Development Construction for the new Flex Space Development.

Then, he requested the Board's authorization to consider and approve a Developer Agreement with Lucky Star City Corp., if the developer provides and participates in the process of the Developer Agreement.

Mr. Strange requested the Board's authorization for JNS and Johnson Petrov to coordinate with Enstor regarding an Assignment to the District.

- d. Update and possible action on other projects within the District. See Engineer's Report.

- e. Update on Mills Point Detention Pond. Mr. Strange then requested Board authorization to accept the exhibit for use in the agreement for Trails with Mills Pointe HOA and approve to perform recommended services for clearing limits of the 2.47 acre tract or Detention Pond No. 1 tract and approve the proposal from Storm Water Solutions to clear the property.

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

7. New Business/Annual Agenda:

- a. Engagement of Auditor for Fiscal Year Ending August 31, 2024, a copy of which is attached hereto as Exhibit "E". The Board reviewed the Engagement Letter prepared by McCall Gibson Swedlund Barfoot PLLC along with the TEC Form 1295.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, 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, 2024 and acknowledgment of the TEC Form 1295.

b. Insurance Renewal a copy of which is attached hereto as Exhibit "F". The Board then discussed the District's insurance renewal along with the TEC Form 1295. Mr. Petrov presented the proposal from Arthur Gallagher. Mr. Petrov noted that the expiring premium was \$18,089 and the renewal premium is \$21,498, a difference of \$3,409, noting the increase is due to property values increasing.

Upon motion by Director Berckenhoff, 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. Annual Review of Investment Policy. Mr. Petrov stated that reviewing the Investment Policy was an annual requirement of the Texas Public Funds Investment Act, but that no changes were being proposed at this time. The Board reviewed the Investment Policy. No action was taken.

d. Best Trash Contract regarding post-storm debris pick-up. No action was taken at this time.

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.

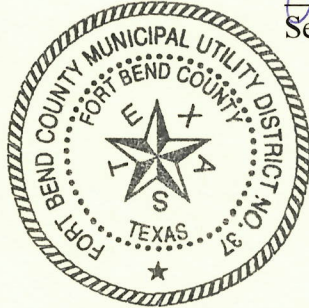
THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned at 9:22 p.m.

SIGNED, PASSED and APPROVED this 18th day of September, 2024.

Jeffrey L. Dickland

Secretary, Board of Directors

[DISTRICT SEAL]



EXHIBITS:

- A - Bookkeeper's Report
- B - Tax Assessor-Collector
- B-1- Resolution Determining District's status for Tax Rate Calculation Purposes
- B-2- Delinquent Tax Collection Report
- B-3- Amended Contract with Tax Assessor Collector
- C - Operations Report
- C-1- WCP/DCP
- D - Engineer's Report
- E - Engagement of Auditor for Fiscal Year Ending August 31, 2024
- F - Insurance Renewal
- G - City of Katy Stat Report