

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

SEPTEMBER 18, 2019

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, September 18, 2019, 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
David A. Carp	Vice President
Rudy Ammer	Secretary/Investment Officer/Co-Tax Compliance Officer
Larry W. Davis	Treasurer
Kenneth L. Comeaux	Assistant Secretary/Co-Tax Compliance Officer

All members of the Board were present, with the exception of Director Comeaux, thus constituting a quorum. Also attending all or portions of the meeting were: Kim Shelnut 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; David Leyendecker, of Clay & Leyendecker, Inc., engineer for the District; Zachary A. 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. Next, the Board considered approval of the August 21, 2019 regular meeting minutes. Upon motion by Director Davis, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the minutes as presented.

Director Comeaux enters at this time.

3. Bookkeeper's Report and Investment Report. Ms. Shelnut reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "A".

a. Ms. Shelnut reviewed the written reports and responded to questions.

b. Ms. Shelnutt then reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2020.

Upon motion by Director Ammer, seconded by Director Carp, 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 1603 through 1628 from the Operating Account.

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

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 99.2% of the 2018 taxes had been collected as of August 31, 2019.

c. Next, the President opened the public hearing on the 2019 tax rate at 7:27 p.m., reporting that the notice of which was published, as required, in the Katy Times for seven (7) days prior to the meeting, a copy of which is attached hereto as Exhibit "B-1". The President noted that no one from the public commented. The President stated that according to the notice, the Board intends to levy a 2019 total ad valorem tax rate of \$0.49 per \$100 of assessed value for the year 2019. The President closed the public hearing at 7:28 p.m.

d. The Board then discussed adopting the proposed 2019 tax rate. Upon motion by Director Ammer, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board adopted the Order Setting Rate and Levying Tax for 2019 (the "Tax Rate Order"), with a total ad valorem tax rate of \$0.49 per \$100 of assessed value for tax year 2019, entirely comprised for maintenance only, for the fiscal year ending August 31, 2019. A copy of the Tax Rate Order is attached hereto as Exhibit "B-2".

e. The Board then discussed approval of an Amended District Information Form, a copy of which is attached hereto as Exhibit "B-3", which is required to be amended to show the current tax rate, any outstanding debt, of which there is none, and the Notice to Purchasers form, and is to be recorded in the Fort Bend County Real Property Records (the "FBCRPR") and filed with the Texas Commission on Environmental Quality (the "TCEQ"). Upon motion by Director Ammer, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Amended District Information Form, and authorized JP to record same in the FBCRPR and file it with the TCEQ, as required by law.

f. The Board next considered appointing a Tax Assessor/Collector for collection of 2019 taxes. Upon motion by Director Carp, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board adopted the Order Appointing Tax Assessor/Collector, appointing Equi-Tax, Inc. as Tax Assessor/Collector for the District, a copy of which is attached hereto as Exhibit "B-4".

g. The Board next consider adopting the Resolution Concerning Tax Collection Procedures. Upon motion by Director Comeaux, seconded by Director Davis, after

full discussion and with all Directors present voting aye, the Board voted to adopt the Resolution Concerning Tax Collection Procedures, thereby rejecting the tax payment options. A copy of the resolution is attached hereto as Exhibit "B-5".

h. Mr. Thornhill was not present therefore, Mr. Petrov reviewed the Delinquent Monthly Report for September with the Board and requesting the Board authorize termination to delinquent accounts for non-payment of taxes. The President opened the floor to the public for anyone wishing to comment on the termination of water for delinquent taxes. There being no member of the public wishing to speak on the matter, the President closed the public hearing.

Upon motion by Director Comeaux, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor/Collector's Report, as presented and authorized payment of check numbers 2237 thru 2239 from the Tax Account and authorized termination letters be sent out on the delinquent accounts.

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

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

b. Mr. Ring next reported there were four (4) 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.

c. Mr. Ring also presented a quote with options to either replace or repair of blower #2, the costs of which is relatively the same, but the delivery time is shorter on the replacement quote. The Board deferred approval pending further review.

Upon motion by Director Comeaux, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the approved 1) the Operations Report; and 2) authorized termination of service to four (4) delinquent accounts pursuant to the District's Rate Order.

6. Engineering Report.

a. Mr. Leyendecker first updated the Board on his conversations with developers looking to annex. Director Berckenhoff requested updates on the STP expansion, to which Mr. Leyendecker stated is moving forward. Director Berckenhoff then asked about the WP capacity and if any ancillary facilities (pumps, storage tanks, etc.) needed to be upgraded. Mr. Leyendecker responded saying the WP capacity is good, and he will bring a chart with the District's facilities status at the next Board meeting.

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

7. New Business.

a. Interlocal Agreement with Fort Bend County for Installation, Operation and Maintenance of Solar Power Speed Awareness Signs. The Board then discussed an Interlocal Agreement for the solar powered speed awareness signs in the District, a copy of which is attached as Exhibit "D". Director Ammer made a motion to enter into agreement with Fort Bend County for the Installation, Operation and Maintenance of Solar Power Speed Awareness Signs. There was no second motion, therefore the motion failed. The Board postponed further discussion until the next month.

b. Attendance at AWBD 2020 Mid-Winter Conference. The Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") the 2020 Mid-Winter Conference in Dallas, Texas. Upon motion by Director Davis, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance to the AWBD 2020 Mid-Winter Conference in Dallas, Texas.

c. Annual Review of Investment Policy. The Board conducted its annual review of the District's Investment Policy as required by state law.

Upon motion by Director Davis, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Order Reviewing Investment Policy.

8. Old Business.

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

The City sent a letter to the District requesting a payment and respond regarding Fire Protection Service provided by the City to the Pin Oak Subdivision in the District. The Board wants to continue working with the City regarding Fire Protection Services. Discussion ensued. The Board wishing to continue a relation with the City, therefore, the Board requested Johnson Petrov to prepare a letter to the City requesting a special meeting to discuss an actual agreement. The Board plans to supplement the monthly fire donation from the residents for a total payment of \$10,000 per month until an agreement is finalized.

Upon motion by Director Ammer, seconded by Director Davis, after full discussion and with all Directors voting aye, the Board authorized Johnson Petrov to send a response letter to the City and authorized a \$10,000 payment.

b. Status of maintenance of Katy Mills berm, drainage facilities and Katy Mills Management District and discussions with the City of Katy.

No update at this time.

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

SIGNED, PASSED and APPROVED this 16th day of October, 2019.

[DISTRICT SEAL]


Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report
- B - Tax Assessor/Collector's Report
- B-1 Notice of Public Hearing on Tax Rate and Affidavit of Publication
- B-2- Order Setting Rate and Levying Tax for 2019
- B-3- Amended and Restated District Information Form
- B-4- Order Appointing a Tax Assessor/Collector
- B-5- Resolution Concerning Tax Collection Procedures
- C - Operations Report
- D - Interlocal Agreement with Fort Bend County - Solar Power Speed Awareness Signs

