

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

FEBRUARY 21, 2024

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, February 21, 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:

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| 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; 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; Allen Perez with the Westheimer Parkway Project ("Developer"); Bryan Matthey, a resident of the District; 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 January 17, 2024, which was 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 the regular meeting minutes of January 17, 2024, as presented.

Director Murray entered the meeting at this time.

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.

Upon motion by Director Davis, 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 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 99.1% of the 2022 taxes and 84.5% of the 2023 taxes had been collected as of January 31, 2024.

b. Mr. Landreville presented check nos. 2445 thru 2449 for the Board's approval.

Upon motion by Director Gilliland, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved 1) the Tax Assessor/Collector's Report, and 2) approved payment of check nos. 2445 thru 2449.

c. 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 January report.

Upon motion by Director Gilliland, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board approved the Delinquent Tax Collection Report.

d. Order Determining Ad Valorem Tax Exemptions. The Board reviewed and considered approval of the Order Determining Ad Valorem Tax Exemptions, a copy of which is attached hereto as Exhibit "B-2". Mr. Petrov reminded the Board of the current tax exemptions, including homestead exemptions, exemptions for residents 65 years of age and older, and exemptions for disabled residents. In previous years, the Board granted a homestead exemption of 20% of the appraised value or \$5,000, whichever is greater; a \$10,000 exemption for disabled persons and for persons 65 years of age or older; an exemption for travel trailers with certain size restrictions; and exemptions for certain real and personal property owned by qualified charitable organizations.

Upon motion by Director Berckenhoff, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the Order Determining Ad Valorem Tax Exemptions.

e. Resolution Authorizing Petition Challenging Appraisal Records. The Board reviewed and considered approval the Resolution Authorizing Petition Challenging Appraisal Records for the Tax Assessor/Collector to represent the District in filing a protest with the Fort Bend Central Appraisal District ("FBCAD"), a copy of which is attached as Exhibit "B-3". Mr. Petrov stated that this allows Equi-Tax to represent the District in matters before FBCAD.

Upon motion by Director Berckenhoff, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board the Resolution Authorizing Petition Challenging Appraisal Records.

f. Resolution Implementing Penalty on 2023 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes. The Board reviewed the Resolution Implementing Penalty on 2023 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached as Exhibit "B-4".

Upon motion by Director Berckenhoff, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board approved the Resolution Implementing Penalty on 2023 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes.

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 also reported seven (7) delinquent accounts scheduled for termination due to non-payment of water and sewer bills and two (2) accounts sent to collections. No members of the public wished to comment on termination of water for non-payment of the water and sewer bills. Discussion ensued.

Mr. Petrov then reviewed the EPA Lead and Copper Rule Revisions and TCEQ Requirements with the Board, a copy of which is attached hereto as Exhibit "C-1". No action was taken at this time.

Upon motion by Director Davis, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board approved the Operations Report; and 2) authorized the termination of service to seven (7) delinquent accounts and two (2) collection accounts, pursuant to the District's Rate Order.

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 with the Board the Contract Change Order No. 1, which resulted in a net increase of \$944.00, for the Water Well Rehabilitation Project, a copy of which is attached to the Engineer's Report.

Upon motion by Director Berckenhoff, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board approved the Contract Change Order No. 1, which resulted in a net increase of \$944.00, for the Water Well Rehabilitation Project.

Next, Mr. Strange presented and reviewed Pay Estimate No. 1 in the amount of \$30,384.00 for the Water Well Rehabilitation, a copy of which is attached to the Engineer's Report.

Upon motion by Director Berckenhoff, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board approved Pay Estimate No. 1 in the amount of \$30,384.00 for the Water Well Rehabilitation.

b. Update on service request by Developers, if any including annexation requests. Mr. Strange updated the Board regarding the KMK Development and Lucky Star Corporation.

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

d. Update and possible action on other projects within the District.

e. Update and possible action regarding reimbursement to KMK.

The Board approved the Reimbursement to KMK pending the Engineer's acceptance.

Upon motion by Director Gilliland, seconded by Director Murray, after full discussion and with all Directors present voting aye, the Board approved the reimbursement to KMK pending the engineer's acceptance.

f. Consideration and possible action regarding amending the Rate Order to amend the District's water and sewer rates. This item was tabled until the May meeting.

g. Utility Conveyance Agreement with KMK. Mr. Petrov reviewed the Utility Conveyance Agreement. No action was taken at this time.

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

7. New Business/Annual Agenda.

a. AWBD 2024 Summer Conference.

The Board then considered attendance at the Association of Water Board Directors – Texas(the "AWBD") Summer Conference to be held June 13-15, 2024, in Fort Worth, Texas. Upon motion by Director Davis, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance at the AWBD Summer Conference.

8. City of Katy Emergency Services Monthly Stat Report. The Board reviewed the 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 20th day of March, 2024.

[DISTRICT SEAL]




Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report
- B - Tax Assessor-Collector
- B-1- Delinquent Tax Report
- B-2- Order Determining Ad Valorem Tax Exemptions
- B-3- Resolution Authorizing Petition Challenging Appraisal Records
- B-4- Resolution Implementing Penalty on 2023 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes
- C - Operations Report
- C-1- EPA Lead and Copper Rule Revisions and TCEQ Requirements
- D - Engineer's Report
- E - City of Katy Stat Report