

**FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37**

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**AUGUST 20, 2025**

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 20, 2025, 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:

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

All members of the Board were present, with the exception of Director Murray, thus constituting a quorum. Also attending were Jackie Noyola 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 of JNS Engineers LLC (the "Engineer" or "JNS") engineer for the District; J. William Petrov II, Attorney of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; and Erik Scott with Storm Water Solutions.

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. The President first opened the meeting to public comment concerning the business of the District. 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 16, 2025, which was 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 16, 2025, as presented.

3. Storm Water Solutions Report. Mr. Scott presented and reviewed the Storm Water Solutions Report, a copy of which is attached hereto as Exhibit "A". Mr. Scott also responded to questions. No action was taken at this time.

4. Bookkeeper's Report and Investment Report. Ms. Noyola previously distributed the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "B". Ms. Noyola reviewed the written report and responded to questions.

- a. Next, Ms. Noyola reviewed the budget for fiscal year ending August 31, 2026 with the Board, a copy of which is attached to the Bookkeeper's Report.

Upon motion by Director Gilliland, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board the Budget for fiscal year ended August 31, 2026.

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

5. Tax Assessor/Collector Report. Mr. Landreville presented and reviewed the Tax Assessor/Collector's Report prepared by Equi-Tax, Inc., a copy of which is attached hereto as Exhibit "C".

- a. Mr. Landreville reported that 98.3% of the 2024 taxes and 99.6% of the 2023 taxes had been collected as of July 31, 2025.

- b. He then presented check nos. 2527 through 2530 for the Board's approval. Mr. Landreville also responded to questions from the Board.

- 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 "C-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 Gilliland, seconded by Director Comeaux, 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. 2025 Proposed Tax Rate, Authorize Publication of Effective Tax Rate Calculation, and Establish Public Hearing Date regarding 2025 Tax Rate.

Mr. Petrov reviewed with the Board the proposed 2025 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 \$0.472972 per \$100 assessed valuation and the notice of the public hearing on the 2025 tax rate to be held at the September 17th 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 "D." The Board reviewed the report with Board. No action was needed at this time.

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; and 2) authorized payment of check nos. 2527 through 2530 from the Tax Account.

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

a. Mr. Davila next reviewed the current operations in the District with the Board and answered questions. The Board reviewed the Ezee Fiber charges for the water loss and damages that occurred during Ezee Fiber's Construction in the amount of \$67,250.

Mr. Davila also reported seven (7) 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.

b. Next, Mr. Davila presented and reviewed with the Board the JP Morgan Merchant Services Processing Attestation and Amendment of Agreement.

Upon motion by Director Comeaux, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board approved the JP Morgan Merchant Services Processing Attestation and Amendment of Agreement.

c. Amendment to Rate Order. The Board postponed amendment to the District's Rate Order.

Upon motion by Director Comeaux, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board (i) authorized the termination of service to seven (7) delinquent accounts, pursuant to the District's Rate Order; (ii) authorized the operator to bill Ez Fiber for damages as needed, (iii) approved the Operations Report.



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

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

Mr. Strange presented and reviewed Pay Estimate No. 2 and Final from Ceballos Construction LLC for the Interim Erosion Control for the New Detention Pond at the KMK Development Outfall into the District's Ditch in the amount of \$27,818.10.

Mr. Strange presented and reviewed Change Order No. 1 from Ceballos Construction LLC to the current contract to include the price quote for concrete rip rap in the amount of \$21,695.00, making the new contract amount \$47,884.50.

Upon motion by Director Gilliland, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board i) Pay Estimate No. 2 and Final from Ceballos Construction LLC for the Interim Erosion Control for the New Detention Pond at the KMK Development Outfall into the District's Ditch in the amount of \$27,818.10 and Change Order No. 1 from Ceballos Construction LLC quote for concrete rip rap in the amount of \$21,695.00, ii) Authorized JNS to solicit bids; and iii) approved the Engineer's Report.

8. New Business/Annual Agenda:

a. Evergreen Engagement of Auditor for Fiscal Year Ending August 31, 2025. The Board reviewed the Evergreen Engagement Letter prepared by McCall Gibson Swedlund Barfoot Ellis PLLC along with the TEC Form 1295, a copy of which is attached hereto as Exhibit "G".

Upon motion by Director Gilliland, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board engaged McCall Gibson Swedlund Barfoot Ellis PLLC to prepare an audit for the fiscal year ending August 31, 2025 and acknowledgment of the TEC Form 1295.

b. Insurance Renewal a copy of which is attached hereto as Exhibit "H". 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 \$21,498 and the renewal premium is \$23,242, a difference of \$1,744, noting the increase is due to property values increasing.

Upon motion by Director Comeaux, seconded by Director Gilliland, after full discussion and with all Directors present voting aye, the Board accepted the proposal of Arthur Gallagher.

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. Approve attendance to 2026 Mid-Winter Conference. Next, the Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") the 2026 Mid-Winter Conference, Friday, January 23 thru Saturday, January 24, in Houston, Texas.

Upon motion by Director Gilliland, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, with the exception of Director Berckenhoff, who opposed, the Board authorized the Directors' attendance to the AWBD 2025 Mid-Winter Conference, Friday, January 23 thru Saturday, January 24, in Houston, Texas and approved reimbursement for attendance at the conference with no hotel, since the conference is in Houston.

e. Discussion regarding Insurance Renewal. No Board action was deemed necessary at this time.

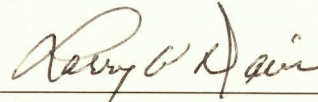
9. City of Katy Emergency Services Monthly Stat Report. The Board reviewed the Stat Report, a copy of which is attached hereto as Exhibit "I". No action was taken.

10. Items for Future Agenda.

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD,** the meeting was adjourned at 9:00 p.m.

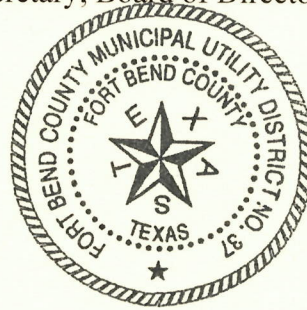


**SIGNED, PASSED and APPROVED** the 17<sup>th</sup> day of September, 2025.



Secretary, Board of Directors

[DISTRICT SEAL]



**EXHIBITS:**

- A - Storm Water Management Report
- B - Bookkeeper's Report
- C - Tax Assessor-Collector
- C-1- Resolution Determining District's status for Tax Rate Calculation Purposes
- D - Delinquent Collection Tax Report
- E - Operations Report
- E-1- Ezee Fiber Cost of Water Loss/Damages
- F - Engineer's Report
- G - Engagement of Auditor for Fiscal Year Ending August 31, 2025
- H - Insurance Renewal
- I - City of Katy Stat Report