

MINUTES
WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

July 11, 2024

The Board of Directors (the "Board") of Waller County Municipal Utility District No. 37 (the "District") met in regular session, open to the public, on the 11th day of July, 2024, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Matthew C. Deal	President
Mark Witcher	Vice President
Brian Welch	Secretary
Leigh Ellis III	Assistant Secretary
David Moriniere	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also attending the meeting were David Daughtry of Kimley-Horn & Associates, Inc. ("Kimley-Horn"); Stephen Eustis of Robert W. Baird & Co. Incorporated; Blair Bozoarth and Rebecca Watkins of Quiddity Engineering, LLC ("Quiddity"); Tracey Scott of Myrtle Cruz, Inc. ("Myrtle Cruz"); Dana Hollingsworth of Municipal District Services ("MDS"); Patty Rodriguez of Bob Leared Interests; and Greer Pagan, Kelly Hanen, and Rachel Wooten of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the June 20, 2024, regular meeting. After review and discussion, Director Welch moved to approve the minutes, as presented. Director Moriniere seconded the motion, which passed unanimously.

SECURITY MATTERS

The Board reviewed a security patrol report, a copy of which is attached.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Scott presented and reviewed a list of checks presented for payment from the District's accounts.

After review and discussion, Director Deal moved to approve the checks presented for payment. Director Welch seconded the motion, which passed by unanimous vote. A copy of the list of checks is attached.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Rodriguez presented and reviewed the tax assessor/collector's report, a copy of which is attached. Following review and discussion, Director Deal moved to approve the tax assessor/collector's report. Director Moriniere seconded the motion, which was approved by unanimous vote.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2024 TAX YEAR

Mr. Pagan discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49, Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. He reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2024 tax year.

Following review and discussion, Director Deal moved to adopt a Resolution Regarding Development Status for 2024 Tax Year establishing the District as a Developing District for the 2024 tax year, pursuant to Section 49.23603, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Witcher seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES; HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

Ms. Hollingsworth presented and reviewed the operator's report, a copy of which is attached.

Ms. Hollingsworth reported on the status of District facilities during Hurricane Beryl.

Ms. Hollingsworth then presented a list of delinquent customers to the Directors and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services

should not be terminated for reason of non-payment. She recommended that the Board defer terminations for the month due to Hurricane Beryl.

After review and discussion, Director Welch moved to approve the operator's report. Director Moriniere seconded the motion, which passed by unanimous vote.

ENGINEERING MATTERS; DEEDS, EASEMENTS, ENCROACHMENT AGREEMENTS, WAIVERS OF SPECIAL APPRAISAL, AND PLAT MATTERS

Ms. Watkins updated the Board on engineering matters in the District, as reflected in Quiddity's report.

Ms. Watkins updated the Board on the Sunterra Section 29 punch list. She reported the punch list items required by Waller County have been completed, and Waller County has accepted the roads. Ms. Watkins recommended approval of payment in the amount of \$2,346.00.

Ms. Watkins updated the Board on Sunterra Section 20. She reported that there are a few punch list items that need to be done to meet the Waller County acceptance criteria. She presented a proposal for the repairs from Triple B Services, L.L.P ("Triple B") at a cost of \$300.00.

After review and discussion, Director Moriniere moved to (1) approve the engineer's report; (2) approve payment in the amount of \$2,346.00 for the Sunterra Section 29 punch list; and (3) approve the proposal from Triple B in the amount of \$300.00, for the Sunterra Section 20 punch list repairs. Director Welch seconded the motion, which passed by unanimous vote.

SERIES 2024 UNLIMITED TAX UTILITY BONDS AND SERIES 2024 UNLIMITED TAX ROAD BONDS

Mr. Eustis discussed the Series 2024 Unlimited Tax Utility Bonds and 2024 Unlimited Tax Road Bonds. He noted the sale for the 2024 Unlimited Tax Road Bonds will be delayed a month.

Mr. Eustis presented and reviewed a Preliminary Official Statement for the District's \$11,650,000 Unlimited Tax Bonds, Series 2024 ("Series 2024 Bonds").

Mr. Eustis requested approval of a rating application to Moody's Investor Service ("Moody's").

Mr. Eustis recommended appointing Regions Bank as the Paying Agent/Registrar for the Series 2024 Bonds.

The Board discussed authorizing advertisement for the sale of the Bonds and scheduling the Bond sale.

The Board discussed authorizing McGrath & Co, PLLC (“McGrath”) to prepare the reimbursement reports for the Series 2024 Bonds.

After review and discussion, Director Deal moved to (1) approve the Preliminary Official Statement and Official Notice of Sale, subject to ABHR and consultant comments; (2) approve the rating application to Moody’s; (3) appoint Regions Bank as the Paying Agent/Registrar for the Series 2024 Bonds; (4) authorize the advertisement for the sale of the Bonds and schedule the Bond sale for August 8, 2024; and (5) authorize McGrath to prepare the reimbursement report for the Series 2024 Bonds. Director Moriniere seconded the motion, which passed unanimously.

PARK AND RECREATIONAL FACILITIES MATTERS

Mr. Daughtry presented and reviewed Kimley Horn’s landscape architect report, a copy of which is attached.

Mr. Daughtry updated the Board on Section 22 Hardscape, Landscape and Irrigation. He recommended approval of Pay Estimate Nos. 6, 7, 8, 9, and 10 and Final in the amounts of \$1,365.30, \$279.90, \$558.90, \$16,130.19, and \$2,846.50, respectively, payable to Triple E Landscapes, and acceptance of the project.

Mr. Daughtry updated the Board on Section 23 Hardscape, Landscape and Irrigation. He recommended approval of Pay Estimate Nos. 6, 7, 8, and 9 and Final in the amounts of \$1,965.60, \$1,965.60, \$1,965.60, and \$40,335.90, respectively, payable to Earth First Landscapes, and acceptance of the project.

Mr. Daughtry updated the Board on Section 24 Hardscape, Landscape and Irrigation. He recommended approval of Pay Estimate Nos. 6, and 7 and Final in the amounts of \$1,215.00 and \$42,258.34, respectively, payable to JBM Landscapes, and acceptance of the project.

Mr. Daughtry updated the Board on Section 25 Hardscape, Landscape and Irrigation. He recommended approval of Pay Estimate Nos. 3, 4, 5, 6, 7, 8, and 9 and Final in the amounts of \$170,648.31, \$13,300.56, \$8,874.36, \$68,748.70, \$2,924.55, \$1,574.55, and \$86,499.20, respectively, payable to Triple E Landscapes, and acceptance of the project.

Mr. Daughtry updated the Board on Section 28 Hardscape, Landscape and Irrigation. He recommended approval of Pay Estimate Nos. 7 and 8 in the amounts of \$1,680.30 and \$25,136.30, respectively, payable to Triple E Landscapes.

Mr. Daughtry updated the Board on Section 30 Hardscape, Landscape and Irrigation. He recommended approval of Pay Estimate Nos. 4, 5, 6, 7, 8, and 9 and Final in the amounts of \$49,693.50, \$162,598.65, \$13,011.75, \$1,727.61, \$1,727.63, and \$40,165.17, respectively, payable to Zodega Construction, and acceptance of the project.

He also recommended approval of Change Order Nos. 1 and 2 to the contract with Zodega Construction to increase the contract in the amounts of \$2,115.00 and \$8,100.00, respectively. The Board determined that Change Order Nos. 1 and 2 are beneficial to the District.

Mr. Daughtry updated the Board on Section 31 Hardscape, Landscape and Irrigation. He recommended approval of Pay Estimate Nos. 4, 5, 6, and 7 in the amounts of \$87,334.87, \$72,534.60, \$1,944.00, and \$28,519.90, respectively, payable to JBM Landscapes. He also recommended approval of Change Order No. 3 to the contract with JBM Landscapes to decrease the contract in the amount of -\$14,796.50. The Board determined that Change Order No. 3 is beneficial to the District.

Mr. Daughtry updated the Board on Section 32 Hardscape, Landscape and Irrigation. He recommended approval of Pay Estimate Nos. 4 and 5 in the amounts of \$32,170.82 and \$35,034.79, respectively, payable to Scope Twenty Eight, LLC ("Scope Twenty Eight"). He also recommended approval of Change Order Nos. 1 and 2 to the contract with Scope Twenty Eight to increase the contract in the amounts of \$21,100.90 and \$5,454.90, respectively. The Board determined that Change Order Nos. 1 and 2 are beneficial to the District.

Mr. Daughtry updated the Board on Section 23 Hardscape, Landscape and Irrigation. He stated that bids were received for Section 23 Hardscape, Landscape and Irrigation. He recommended that the Board award the contract to Earth First Landscapes in the amount of \$109,500.00. The Board concurred that, in its judgment, Earth First Landscapes was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Mr. Daughtry also recommended approval of Pay Estimate Nos. 1, 2, 3, 4, and 5 and Final in the amounts of \$39,279.60, \$57,339.90, \$24,181.76, \$965.25, and \$13,529.61, respectively, payable to Earth First Landscapes, and acceptance of the project. He also recommended approval of Change Order No. 1 to the contract with Earth First Landscapes to increase the contract in the amount of \$25,796.12. The Board determined that Change Order No. 1 is beneficial to the District.

After review and discussion as recommended by the landscape architect, Director Welch moved to (1) approve the landscape architect's report; (2) approve the Pay Estimates, as presented, and accept the completed projects; (3) approve the Change Orders, as presented, based upon the Board's finding that the Change Orders are beneficial to the District and the landscape architect's recommendation; and (4) award the construction contract, as recommended, based upon the District landscape architect's recommendation and subject to approval of the payment and performance bonds and review of the certificates of insurance and endorsements, if any, provided by the contractor. Director Witcher seconded the motion, which passed unanimously.

REPORT ON DEVELOPMENT

The Board received an update on development.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.


Secretary, Board of Directors

(SEAL)



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