

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

July 16, 2014

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, July 16, 2014, 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
Rudolph Ammer	Secretary
Larry W. Davis	Treasurer/Investment Officer
Kenneth L. Comeaux	Assistant Secretary

All members of the Board were present, except Director Comeaux, thus constituting a quorum. Also attending all or portions of the meeting were: Skip Roberts and Jennifer Har of the Pin Oak Village Homeowner's Association (the "HOA"); Kim Shelnett of Myrtle Cruz, Inc. (the "Bookkeeper" or "MCI"), bookkeeper for the District; Ken Byrd of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Joe Williams of ST (the "Operator" or "ST"), operator for the District; and Alan P. 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 Comments. Jennifer Har commented on the security issues in Pin Oak Village reporting that there have been five (5) break ins in 2014 thus far and that the HOA does not have enough money to increase patrols. Ms. Har asked the District for extra help with security patrols. Director Berckenhoff commented that although he is sensitive to the issue, it is his belief that security is generally a county issue and that he would like to know if we could encourage the county to be more responsive. Skip Roberts commented that he also serves on the HOA and that he is also concerned with security. Both Ms. Har and Mr. Roberts thanked the Board for their interest in the matter.

2. Approval of Minutes. The Board then considered approval of the June 18, 2014 regular meeting minutes and the July 2, 2014 special meeting minutes. Upon motion by Director Carp, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

3. Bookkeeper's Report. Ms. Shelnett presented the Bookkeeper's Report and draft budget for fiscal year ending August 31, 2015, copies of which are attached hereto as Exhibit "A".

Discussion ensued regarding Westside Water ("Westside") and failure on the company's behalf to make prompt payments. Mr. Williams reported that he had spoken with a representative of Westside regarding the matter and that Westside was authorizing additional personnel to sign checks and that a payment should be forthcoming, although a definitive date was not given.

Ms. Shelnutt presented a draft budget and various budget items and discussed budgeting for possible repairs to the District facilities. The Board agreed to review the draft budget for possible action at the next meeting.

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

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

- a) Mr. Byrd reviewed the written report and responded to questions from the Board.
- b) The Tax Assessor/Collector's Report reflected that 97.6% of the 2013 taxes have been collected as of June 30, 2014.

Upon motion by Director Ammer, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the Tax Assessor/Collector's Report, as presented.

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

- a) Mr. Williams reviewed the written report and responded to questions from the Board.
- b) Mr. Williams reported that 92.67% of the water pumped was accounted for during the previous month.
- c) Mr. Williams then discussed the I&I issue in the District. Mr. Williams mentioned a coating product that he is investigating for the rehabilitation of the District's manholes. Mr. Williams is planning to have a representative come out to District in order to discuss the product with the Board.
- d) Mr. Williams reported that there were thirty-nine (39) delinquent accounts for non-payment of water and sewer bills.

Upon motion by Director Ammer, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the Operations Report.

6. Engineer's Report. No report was presented at this meeting as the Engineer was not present.

7. Old Business.

- a. Katy Mills Berm. Discussion ensued concerning the Katy Mills berm issue and maintenance of the berm. The Board asked Mr. Petrov to contact Katy Mills to improve maintenance of the berm.
- b. Pin Oak Village and Mills Point Street Lights. Discussion ensued regarding the improper placement of a street light. It was noted that the District's Engineer is working to have the light re-located.
- c. Security Matters in Pin Oak Village and Mills Pointe. Director Ammer suggested that the Board look at the District's budget in order to accommodate funds for security.

8. New Business.

- a. Insurance Renewal. Mr. Petrov reported that the District's Insurer had not yet provided a renewal proposal. The proposal is expected by the next meeting.

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

SIGNED, PASSED and APPROVED this 20<sup>th</sup> day of August, 2014.



*RC Ammer*

Secretary, Board of Directors

**EXHIBITS:**

- A - Bookkeeper's Report, including Budget for FYE August 31, 2015
- B - Tax Assessor/Collector's Report
- C - Operations Report