

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

June 17, 2015

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, June 17, 2015, 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:

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| 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, thus constituting a quorum. Also attending all or portions of the meeting were: Terry Holland of Myrtle Cruz, Inc. (the "Bookkeeper" or "MCI"), bookkeeper for the District; Jeff Sonnheim of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Patrick Sandwick of ST (the "Operator" or "ST"), operator for the District; David Leyendecker, of Clay & Leyendecker, Inc., the District's Engineer; and Alan P. Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District as well as three (3) residents of 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. The President inquired whether there was any public comment concerning the business of the District. A resident commented that he had received a complaint about the berm not being mowed. Director Ammer reported that mowing had occurred. Next, two (2) residents introduced themselves as a Pin Oak Village HOA Ad Hoc Committee to liaison with the District Board on such matters as they arise. Next, the President thanked everyone for their attendance and directed the Board to proceed with the agenda.

2. Approval of Minutes. The Board then considered approval of the May 20, 2015 regular meeting minutes. Upon motion by Director Comeaux, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved such minutes, as revised.

3. Elect Officers. The Board next considered electing officers for the Board. Upon motion by Director Comeaux, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board voted that the officer positions shall be as follows:

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| David A. Carp | President |
| Rudy Ammer | Vice President/Co-Tax Compliance Officer |
| Larry W. Davis | Secretary/Investment Officer |
| Kenneth L. Comeaux | Treasurer/Co-Tax Compliance Officer |
| Stephen Berckenhoff | Assistant Secretary |

4. Bookkeeper's Report and Investment Report. Mr. Holland presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "A".

a. Mr. Holland first reviewed the written reports and responded to questions from the Board.

b. Next, Mr. Holland reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2015.

Upon motion by Director Comeaux, seconded by Director Berckenhoff, 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 numbered 7507 through 7529 from the Operating Account.

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

a. Mr. Sonnheim reviewed the written report and responded to questions from the Board.

b. The Tax Assessor/Collector's Report reflected that 97.1% of the 2014 taxes have been collected as of May 31, 2015.

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 1992 thru 1996 from the Tax Account.

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

a. Mr. Sandwick reviewed the written report and responded to questions from the Board. Mr. Sandwick reported that 83.96% of the water pumped was accounted for during the previous month and discussed with the Board the low water accountability and the fact that the Pulte contractor had been using water, but not paying for it. Discussion next ensued concerning the need to identify the amount of water used by the contractor and to back-charge for the water. Mr. Leyendecker offered to assist the Operator in calculating the amount of water used. Mr. Sandwick also reported seven (7)

delinquent accounts for non-payment of water and sewer bills and one (1) uncollectible write-off account in the amount of \$3.47.

- b. Update on Pulte Development connections. No update at this time.

Upon motion by Director Davis seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, as presented including, authorizing termination of service to seven (7) delinquent accounts pursuant to the District's Rate Order and one (1) uncollectible write-off account in the amount of \$3.47.

- 7. Engineer's Report. Mr. Leyendecker represented the Engineer's Report.

- a. Mr. Leyendecker updated the Board concerning development projects in the vicinity of the District.

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

- 8. New Business.

- a. TCEQ Public Drinking Water Conference, Austin, Texas. The Board then considered attendance at the TCEQ Public Drinking Water Conference to be held August 11-12, 2015 in Austin, Texas. Director Berckenhoff stated that he had checked on the conference and that it was currently full, but that if space becomes available, it would be a good conference to attend. Upon motion by Director Berckenhoff, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Directors' attendance at the TCEQ Public Drinking Water Conference, if space is available.

- 9. Old Business.

- a. Status of maintenance at Kay Mills Berm. There was no update at this time, other than the report by Director Ammer that the Berm had been mowed.

- b. Status of Relocating Street Light(s) – Pin Oak Village and Mills Pointe. Mr. Leyendecker reported that he will try to contact CenterPoint.

- c. Status of Committee exploring options with the City of Katy. Director Ammer stated that he has not received any updates from the City and that the ball is currently in the City's court.

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



PASSED and APPROVED this 15th day of July, 2015.

Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report and Investment Report
- B - Tax Assessor/Collector's Report
- C - Operations Report