

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**October 21, 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, October 21, 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:

David A. Carp	President
Rudolph 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

All members of the Board were present, thus constituting a quorum. Also attending all or portions of the meeting were: Kim Shelnett 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; Joe Williams of ST (the "Operator" or "ST"), operator for the District; David Leyendecker, of Clay & Leyendecker, Inc., the District's Engineer; Allen Perez with the Westheimer Parkway Project ("Developer"); 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 Comment. The President inquired as to whether there was any public comment concerning the business of the District. Mr. Perez addressed the Board and requested Out of District Service. Discussion ensued regarding the Westheimer Project. Mr. Leyendecker distributed a cost estimate for a water line, a copy of which is attached hereto as Exhibit "A". Mr. Perez asked for an opportunity to review the cost estimate.

2. Approval of Minutes. The Board then considered approval of the September 16, 2015 regular meeting minutes. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved such minutes.

3. Bookkeeper's Report and Investment Report. Ms. Shelnutt presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "B".

a. Ms. Shelnutt first reviewed the written reports and responded to questions from the Board.

b. Next, Ms. Shelnutt reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending September 30, 2015.

Upon motion by Director Ammer, 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 7599 through 7629 from the Operating Account.

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

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

b. The Tax Assessor/Collector's Report reflected that 98.8% of the 2014 taxes have been collected as of September 30, 2015.

Upon motion by Director Davis, seconded by Director Comeaux, 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 2005 thru 2007 from the Tax Account.

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

a. Mr. Williams reviewed the written report and responded to questions from the Board. Mr. Williams reported that 90.20% of the water pumped was accounted for during the previous month.

b. Mr. Williams also reported nine (9) delinquent accounts for non-payment of water and sewer bills and two (2) collection accounts.

c. Discussion ensued regarding the District's manholes and the efficacy of doing inflow repairs. Mr. Williams then distributes a quote from D.L. Elliott Enterprises, Inc. to add stabilized limestone to the WWTP (Mills Manor Access Road and Parking Repair) site, a copy of which is attached to the Operator's Report.

d. Discussion ensued regarding the water that had been used by Pulte Homes' contractor and the bill that was sent to Fort Bend County Municipal Utility District 185 ("FB 185"). Ms. Shelnutt reported that the FB 185 operator informed her that FB 185 had taken no action on the matter. The Board asked Mr. Petrov to follow-up with the attorney for FB 185.

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 nine (9) delinquent accounts pursuant to the District's Rate Order, to authorize turning over two (2) accounts to collections and requests the engineer to review the quote for the limestone.

6. Engineer's Report. See Public Comments. No additional report given.

7. New Business.

a. Annual Review of Investment Policy. Mr. Petrov then presented an Order Reviewing Investment Policy, a copy of which is attached hereto as Exhibit "E." 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. Upon motion by Director Davis, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Order Reviewing Investment Policy.

b. Annual Review of all Consultant Contracts. Mr. Petrov reported that, in accordance with the Texas Water Code, the consultant contracts are required to be reviewed annually to provide the Board an opportunity to assess the services provided by the consultants and costs. The Board then indicated that all contracts have been reviewed and no action is required at this time.

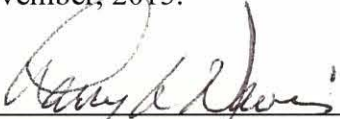
8. Old Business.

a. Status of maintenance at Kay Mills Berm. Director Ammer reported that the berm has been mowed.

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

SIGNED, PASSED and APPROVED this 18<sup>th</sup> day of November, 2015.



  
Secretary, Board of Directors

EXHIBITS

- A - Cost Estimate
- B - Bookkeeper's Report, including Investment Report
- C - Tax Assessor/Collector Report
- D - Operations Report
- E - Order Reviewing Investment Policy