

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

November 18, 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, November 18, 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, except for Director Comeaux, 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., engineer for the District; Josh Rambo, CPA, McCall Gibson Swedlund Barfoot PLLC, auditor 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 Comment. The President inquired as to whether there was any 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 then considered approval of the October 21, 2015 regular meeting minutes. Upon motion by Director Berckenhoff, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved such minutes.

3. Audit Report. Mr. Rambo then presented a draft of the District's audit report for the fiscal year ended August 31, 2015, a copy of which is attached hereto as Exhibit "A". Mr. Rambo reviewed the draft of the District's audit report and responded to various questions from the Board. Next, Mr. Rambo also reviewed with the Board the management letter, a copy of which is attached hereto as Exhibit "A-1".

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

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

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

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

Upon motion by Director Ammer, seconded by Director Davis, 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 7631 through 7652 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 "C".

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

b. The Tax Assessor/Collector's Report reflected that less than 4% of the 2015 taxes had been collected as of October 31, 2015 since the tax bills had just gone out, but that collections would begin to pick-up in November and December as they typically do each year.

Upon motion by Director Davis, seconded by Director Ammer, 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 number 2008 from the Tax Account.

6. Operations and Engineering Reports. Mr. Williams 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 94.99% of the water pumped was accounted for during the previous month.

b. Mr. Williams then reported four (4) delinquent accounts for non-payment of water and sewer bills.

c. Discussion next ensued regarding the billing to Fort Bend County MUD No. 185 for water. Mr. Petrov reported that he spoke with MUD 185's attorney and that he acknowledged that some usage may be owed. Their operator was asked to coordinate with our Operator to review the usage.

d. Discussion next ensued regarding the replacing the A/C water lines. Director Ammer suggested that the Board think about replacing a manageable amount each year so as to avoid incurring additional debt. Mr. Leyendecker also mentioned that there is truss pipe in places that should be replaced. Discussion then ensued regarding the water tank roof repair. Mr. Leyendecker noted that the roof repair is actually the first project that the District should address. The Board suggested that the Engineer and Operator prepare a list of suggested projects organized as to priority.

Upon motion by Director Davis seconded by Director Berkenhoff, after full discussion and with all Directors present voting aye, the Board approved the Operations and Engineering Reports, as presented including, authorizing termination of service to four (4) delinquent accounts pursuant to the District's Rate Order.

7. New Business.

a. Annual Review of Emergency Water Contract with H-FBCMUD Nos. 1 and 5 (the "Contract"). Mr. Petrov reviewed the Contract with the Board stating it is a forty (40) year Term of Agreement that expires in 2037. Mr. Petrov reported that under Section 3.06 of the Contract that each party will provide notification to the other parties of any connections added to the water system on or before January 1 of each year.

b. Annual Review Westheimer Parkway Landscape Maintenance Contract (the "Maintenance Contract"). Mr. Petrov reviewed the Maintenance Contract with the Board stating that it is a twenty (20) year Term of Agreement then year-to-year thereafter, which was signed in 2011. There are no additional obligations from the District.

c. Review of North Fort Bend Water Authority (the "NFBWA") Proposals Regarding Water Conservation Incentives. Director Ammer presented information on a water conservation program for the NFBWA, a copy of which is attached hereto as Exhibit "E". Director Ammer reported to the Board that the Water Conservation Programs are point-incentive programs and that if the District accumulates seven (7) points, the District would receive a reduction of \$0.10 on all water going through the NFBWA Meter for the Year 2017. Discussion ensued and Director Ammer made a motion to further investigate the methods for acquiring the seven (7) points on the Water Conservation Program; the motion was seconded by Director Berkenhoff with Director Davis abstaining.

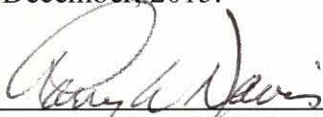
8. Old Business.

a. Status of maintenance at Kay Mills Berm. There is no update at this time.

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

SIGNED, PASSED and APPROVED this 16th day of December, 2015.




Secretary, Board of Directors

EXHIBITS:

- A - Audit Report for the FYE August 31, 2015
- A-1- Management letter
- B - Bookkeeper's Report, including Investment Report
- C - Tax Assessor/Collector Report
- D - Operations Report
- E - NFBWA Proposals Regarding Water Conservation Incentive