

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**December 16, 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, December 16, 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., engineer 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 November 18, 2015 regular meeting minutes. Upon motion by Director Ammer, 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. Shelnett presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "A".

a. Ms. Shelnett 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 October 31, 2016.

Upon motion by Director Davis, 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 7653 through 7680 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 "B".

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 6.4% of the 2015 taxes had been collected as of November 30, 2015.

Upon motion by Director Berckenhoff, 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 2009, 2010 and 2011 from the Tax Account.

5. Operations Report. Mr. Williams 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. Mr. Williams reported that 90.23% of the water pumped was accounted for during the previous month.

b. Mr. Williams then reported one (1) delinquent account for non-payment of water and sewer bills.

c. Discussion ensued regarding the bill sent to Fort Bend County MUD No. 185 ("MUD 185) for water used. Mr. Petrov reported that he spoke with the attorney for MUD 185 and that MUD 185's Operator is currently reviewing the invoice.

Upon motion by Director Davis seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, as presented including, authorizing termination of service to one (1) delinquent account pursuant to the District's Rate Order.

6. Engineering Report. Mr. Leyendecker presented the Engineering Report. Mr. Leyendecker reported that he had looked at the Water Tank Roof and would like to bid the project in February.

Upon motion by Director Berckenhoff seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Engineering Report, as presented.

7. New Business.

a. Review and Approve Replacement Guaranty Agreement (the "Agreement") with Iberdrola USA. Mr. Petrov presented a Replacement Guaranty Agreement, a copy of which is attached as Exhibit "D". Mr. Petrov explained what changes were related to a change in Guarantor and the name of the Debtor. Mr. Petrov reminded the Board that this Agreement had been previously approved and that it was related to the sale of the Aquila facility to PacifiCorp. Upon motion by Director Davis, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Replacement Guaranty Agreement with Iberdrola USA.

8. Old Business.

a. Update on North Fort Bend County Water Authority's Conservation Program. Director Ammer updated the Board on the proposal submitted to the North Fort Bend County Water Authority for the Water Authority's Conservation Program in order to receive credit on fees of the Authority.

9. Election Agenda.

Mr. Petrov updated the Board concerning the May 7, 2016 Directors Election and reported that Directors Carp and Davis are up for election.

Mr. Petrov then discussed appointment of a designated agent for the May 7, 2016 Directors Election. Upon motion by Director Ammer, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board appointed Johnson Petrov LLP as the District's designated agent for the May 7, 2016 Directors Election.

Mr. Petrov next reported that the District must post the Notice of Deadline to File Applications for Place on the Ballot no later than Monday, December 21, 2015. Mr. Petrov further reported that the first day to file an application for a place on the ballot is Wednesday, January 20, 2016, and the last day to file an application for a place on the ballot is Friday, February 19, 2016.

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 January, 2016.

[DISTRICT SEAL]

  
Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, including Investment Report
- B - Tax Assessor/Collector Report
- C - Operations Report
- D - Replacement Guaranty Agreement with Iberdrola USA

