

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**May 20, 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 24711 Fernglan, Katy, Texas 77494, on Wednesday, May 20, 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:

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: 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; Simon Sequeria of Quadvest, L.P. ("Quadvest"); Sandy Colquette with the Pin Oak HOA; 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 whether there was any public comment concerning the business of the District. There being no public comments, the President directed the Board to proceed with the agenda.

2. Approval of Minutes. The Board then considered approval of the April 15, 2015 regular meeting minutes. Upon motion by Director Davis, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

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. Shelnett 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 Carp, 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 7476 through 7505 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 96.9% of the 2014 taxes have been collected as of April 30, 2015.

Upon motion by Director Carp, 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 numbers 1989 thru 1991 from the Tax Account.

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. Mr. Williams reported that 91.86% of the water pumped was accounted for during the previous month. Mr. Williams also reported eight (8) delinquent accounts for non-payment of water and sewer bills.

b. Update on Pulte Development connections. Mr. Williams reported that a paving contractor at the site was using water from the District's fire hydrant. Mr. Williams has identified the contractor and the contractor will be back billed.

c. 2014 Drinking Water Quality Report. Mr. Williams distributed the final copy of the 2014 Drinking Water Quality Report/Consumer Confidence Report (the "CCR"), a copy of which is attached hereto as Exhibit "C-1".

Upon motion by Director Davis seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, as presented including, authorizing termination of service to eight (8) delinquent accounts pursuant to the District's Rate Order and approving the 2014 CCR and authorizing distribution as required by state law.

6. Engineer's Report. Mr. Leyendecker represented the Engineer's Report.

a. Mr. Leyendecker updated the Board on the development at the mall.

b. Mr. Leyendecker next updated the Board on the Westheimer Parkway Project. Discussion ensued concerning the appropriate fee for capacity in the District's drainage ditch. The Board directed the District's consultants to continue working toward an agreement with the developer.

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

7. New Business.

a. Consideration of assignment of Westside Water Contract to Quadvest, L.P. Mr. Simon Sequeira introduced himself to the Board. Mr. Sequeira explained that Quadvest is negotiating the purchase of Westside Water and described Quadvest's current operations. He further explained that since the District's agreement is with Michael Walton, individually, and since Michael Walton is now deceased, the probate court has first requested that the assignment be assigned to Westside Water. After the sale of Westside Water to Quadvest is approved by the Public Utility Commission, then he will request the additional assignment to Quadvest, but currently he is only requesting the assignment to Westside Water. After a brief discussion, the Board made a motion to approve the Consent to Assignment of Agreement Providing for the Operation and Maintenance of Water and Wastewater Facilities, a copy of which is attached hereto as Exhibit "D".

8. Old Business.

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

b. Status of Relocating Street Light(s) – Pin Oak Village and Mills Pointe. There was no update at this time.

c. Status of Committee exploring options with the City of Katy. The Committee met with the City Administration and after much discussion, the matter was left to the City to consider before taking further action.

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

SIGNED, PASSED and APPROVED this 17<sup>th</sup> day of June, 2015.



  
Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report and Investment Report
- B - Tax Assessor/Collector's Report
- C - Operations Report
- C-1- Final 2014 Drinking Water Quality Report/Consumer Confidence Report
- D - Consent to Assignment of Agreement Providing for the Operation and Maintenance of Water and Wastewater Facilities (Westside Water/Michael Walton)