

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**SEPTEMBER 21, 2016**

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, September 21, 2016, 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:

Rudolph Ammer	President/Co-Tax Compliance Officer
Larry W. Davis	Vice President/Investment Officer
Kenneth L. Comeaux	Secretary /Co-Tax Compliance Officer
Stephen Berckenhoff	Treasurer
David A. Carp	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; Val Reeves, a customer of the District; David Hoskins with NationWide Curb Service, LLC; 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.

Ms. Reeves commented that she has a problem with her meter read. Ms. Reeves stated that her normal usage went from 5,000 gallons to 52,000 gallons. The Board discussed her situation with her and asked the District's operator to continue to look into the situation.

2. Approval of Minutes. The Board then considered approval of the August 17, 2016 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.

b. Ms. Shelnutt next reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2016.

Upon motion by Director Carp, 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, authorized payment of checks numbered 7898 through 7921 from the Operating Account and approved the Budget for FYE 8/31/17.

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 98.0% of the 2015 taxes had been collected as of August 31, 2016.

Upon motion by Director Davis, seconded by Director Carp, 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 2043 thru 2051 from the Tax Account.

c. Next, the President called the public hearing on the 2016 tax rate to order, notice of which was published, as required, in the Katy Times for seven (7) days prior to the meeting, a copy of which is attached hereto as Exhibit "C". The President noted that no one from the public commented. The President stated that according to the notice, the Board intends to levy a 2016 total ad valorem tax rate of \$0.49 per \$100 of assessed value for the year 2016. The public hearing was adjourned.

d. The Board then discussed adopting the proposed 2016 tax rate. Upon motion by Director Berckenhoff, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board adopted the Order Setting Rate and Levying Tax for 2016 (the "Tax Rate Order"), with a total ad valorem tax rate of \$0.49 per \$100 of assessed value for tax year 2016, entirely comprised of an operation and maintenance tax, for the fiscal year ending August 31, 2017. A copy of the Tax Rate Order is attached hereto as Exhibit "C-1".

e. The Board then discussed approval of an Amended and Restated District Information Form, a copy of which is attached hereto as Exhibit "C-2", which is required to be amended to show the current tax rate, any outstanding debt, of which there is none, and the Notice to Purchasers form, and is to be recorded in the Fort Bend County Real Property Records (the "FBCRPR") and filed with the Texas Commission on Environmental Quality (the "TCEQ"). Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Amended and Restated District Information Form, and authorized JP to record same in the FBCRPR and file it with the TCEQ, as required by law.

f. The Board next considered appointing a Tax Assessor/Collector for collection of 2016 taxes. Upon motion by Director Berckenhoff, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board adopted the Order Appointing



Tax Assessor/Collector, appointing Kenneth Byrd as Tax Assessor/Collector for the District, a copy of which is attached hereto as Exhibit "C-3".

g. The Board next considered a Resolution Concerning Tax Collection Procedures. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board voted to adopt the Resolution Concerning Tax Collection Procedures, thereby rejecting the tax payment options. A copy of the resolution is attached hereto as Exhibit "C-4".

5. Operations Report. 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 94.09% of the water pumped was accounted for during the previous month. Mr. Williams also reported eight (8) delinquent account for non-payment of water and sewer bills and one (1) collection account in the amount of \$64.49.

Upon motion by Director Berckenhoff seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, as presented including, (i) authorize termination of service to eight (8) delinquent accounts pursuant to the District's Rate Order; and (ii) authorize turning over one (1) account to collections.

6. Engineering Report.

a. Mr. Leyendecker updated the Board on current projects planned in the vicinity of the District and reported that the Tank Project is on hold pending the go-ahead from the City of Katy to go on the interconnect.

b. Mr. Perez requested service for one-acre for a restaurant. The Board requested a copy of the Master Plan. Mr. Leyendecker will review the availability for such request.

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

7. New Business.

a. The Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") Mid-Winter Conference to be held January 27-28, 2017, in Austin, Texas. Upon motion by Director Berckenhoff, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance to the AWBD Mid-Winter Conference, January 27-28, 2017, in Austin, Texas.

b. Mr. Hoskins with Nation Wide Curb Service, LLC gave a presentation regarding the benefits of Curb Addressing, a copy of which is attached hereto as Exhibit "E". The Board then thanked Mr. Hoskins. No action was taken.

8. Old Business.

Status of Maintenance of Katy Mills Berm and proposed Katy Mills Management District. There was no action on this item.

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

SIGNED, PASSED and APPROVED this 19<sup>th</sup> day of October, 2016.

[DISTRICT SEAL]

  
Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report
- B - Tax Assessor/Collector's Report
- C - Notice of Public Hearing on Tax Rate and Affidavit of Publication
- C-1- Order Setting Rate and Levying Tax for 2016
- C-2- Amended and Restated District Information Form
- C-3- Order Appointing a Tax Assessor/Collector
- C-4- Resolution Concerning Tax Collection Procedures
- D - Operations Report
- E - Brochure – Nation Wide Curb Service, LLC

