

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**APRIL 20, 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, April 20, 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:

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, with the exception of Director Ammer, 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; and Mirna Croon, Paralegal 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 March 16, 2016 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 as amended.

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 stated that she did receive payment from Quadvest, although it is not noted on the Bookkeeper's Report. Director Berckenhoff inquired whether payment had been received from the MUD 185 operator. Ms. Shelnett replied that to date no payment had been received. Director Berckenhoff requested the matter be placed on the May agenda. Mr. Williams discussed the calculation method used

and that he believes the matter will require formal legal action before the District can recover such funds.

b. Ms. Shelnett 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 Berckenhoff, seconded by Director Comeaux, 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 7758 through 7779 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 96.0% of the 2015 taxes had been collected as of March 31, 2016.

c. 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 2029 thru 2032 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 86.83% of the water pumped was accounted for during the previous month. Mr. Williams stated that accountability is down again, probably due to a meter malfunction, and that he will check the meter prior to replacing it.

b. Fort Bend County MUD No. 185 ("MUD 185) Billing Matter. This matter was discussed above under the bookkeeper's report.

c. Authorize Cleaning of Drainage Ditch. Mr. Williams stated this is an ongoing issue and he recommends it be done. He presented quotes two months ago; one between the berm and Westheimer Parkway, which is not owned by the District, but by the City of Katy (the "City"). He stated he would need to check the agreement as to who maintains same.

d. Mr. Williams then reported five (5) delinquent accounts for non-payment of water and sewer bills and one (1) collection account.

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 five (5) delinquent accounts pursuant to the District's Rate Order.

6. Engineering Report. Mr. Leyendecker was not presented at tonight's meeting.
7. New Business.
  - a. Review Emergency Response Procedures.

The Board determined that no changes were needed at this time.

8. Old Business.

- a. Status of Maintenance of Katy Mills Berm and proposed Katy Mills Management District. This matter was tabled.

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 May, 2016.

[DISTRICT SEAL]

  
Secretary, Board of Directors



EXHIBITS:

- A - Bookkeeper's Report
- B - Tax Assessor/Collector's Report
- C - Operations Report