

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

JANUARY 18, 2017

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, January 18, 2017, 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: 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 December 21, 2016 regular meeting minutes. Upon motion by Director Berckenhoff, 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. Mr. Petrov reviewed with the Board the Bookkeeper's Report and Investment Report, prepared by Myrtle Cruz, Inc., copies of which are attached hereto as Exhibit "A".

a. Mr. Petrov first reviewed the written reports and responded to questions.

b. Mr. Petrov next reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2017.

Upon motion by Director Berckenhoff, 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, authorized payment of checks numbered 8008 through 8032 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 30.8% of the 2016 taxes had been collected as of December 31, 2016.

Upon motion by Director Comeaux, 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 2061 thru 2063 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 first discussed a permit excursion that resulted from a Quadvest Lift Station. Next Director Berckenhoff asked about the maintenance water and what could be done to reduce that number.

b. Mr. Williams reviewed the written report and responded to questions from the Board. Mr. Williams reported that 92.38% of the water pumped was accounted for during the previous month. Mr. Williams also reported five (5) delinquent account for non-payment of water and sewer bills and three (3) collection accounts.

c. Mr. Williams next updated the Board with respect to the plan to replace the District's existing water meters with electronic meters. He explained that his preference is to use meters from Mueller Systems.

d. Mr. Williams reviewed and discussed an amendment to the Operator's Contract to adjust the equipment rates, a copy of which is attached hereto as Exhibit C-1.

Upon motion by Director Davis seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, as presented including, (i) authorize Johnson Petrov to write a letter to Quadvest regarding the permit excursion at their Lift Station; (ii) authorize termination of service to five (5) delinquent accounts pursuant to the District's Rate Order; (iii) authorize turning over three (3) account to collections; and (iv) approve the amendment to the Operator's Contract, including Form 1295.

6. Engineering Report.

a. Mr. Leyendecker then updated the Board on the current projects planned in the vicinity of the District. Mr. Leyendecker reported that the Fort Bend County Subsidence District is issuing a report on subsidence in the Katy area. Also, the City of Katy will begin work on the Boardwalk behind the District.

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

7. 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.

RESOLVED, PASSED and APPROVED this 15th day of February, 2017.



[Handwritten Signature]
Secretary, Board of Directors

- B - Bookkeeper/Investment Report
- B - *Tax Assessor/Collector's Report
- C - Operations Report
- C-1- Amended Operator's Contract and Form 1295