

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

November 19, 2014

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, November 19, 2014, 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, except Director Carp, who arrived after the meeting had started, 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; Ken Byrd of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC (the "Auditor"), auditor for the District; Joe Williams of ST (the "Operator" or "ST"), operator for the District; Allen Perez and David Monk 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.

Discussion first turned to the Westheimer Parkway Project. Mr. Leyendecker provided a letter, prior to the meeting, which stated that additional wastewater capacity would be needed. A copy of the letter is attached as Exhibit "A". It appeared that the cost to expand the wastewater treatment plant for the small amount of capacity would be difficult to justify. Director Berckenhoff suggested that Messrs. Perez and Monk contact their engineer regarding suitable options going forward.

2. Approval of Minutes. The Board then considered approval of the October 15, 2014 regular meeting minutes. Upon motion by Director Comeaux, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

3. Audit Report. Mr. Ellis then presented a draft of the District's audit report for the fiscal year ended August 31, 2014, a copy of which is attached hereto as Exhibit "B". Mr. Ellis reviewed the draft of the District's audit report and responded to various questions from the

Board. Next, Mr. Ellis also reviewed with the Board the management letter, a copy of which is attached hereto as Exhibit "B-1".

Upon motion by Director Ammer, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the audit report.

4. Bookkeeper's Report. Ms. Shelnutt presented the Bookkeeper's Report, a copy of which is attached hereto as Exhibit "C".

a. Ms. Shelnutt first reviewed the written report 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 August 31, 2015.

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

5. Tax Assessor/Collector Report. The Tax Assessor/Collector's Report was presented by Mr. Byrd, a copy of which is attached hereto as Exhibit "D".

a. Mr. Byrd reviewed the written report and responded to questions from the Board.

b. The Tax Assessor/Collector's Report reflected that 3.8% of the 2014 taxes have been collected as of October 15, 2014.

Upon motion by Director Comeaux, 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.

Director Carp arrived at this time.

6. Operations Report. Mr. Williams then presented the Operations Report, a copy of which is attached hereto as Exhibit "E".

a. Mr. Williams reviewed the written report and responded to questions from the Board.

b. Mr. Williams reported ten (10) delinquent accounts delinquent accounts for non-payment of water and sewer bills.

c. Next, Mr. Williams discussed the issues related to the District's manholes and reported that this is a project that the District should consider undertaking next year.

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

7. Engineer's Report. Mr. Leyendecker was not present.

8. Old Business.

a. Status of Maintenance of the Katy Mills Berm. Mr. Petrov updated the Board regarding his most recent conversation with Don Massey. While Mr. Massey stated that he expected to begin planting this fall, no plantings had been started. Mr. Ammer inquired about the proposed Management District. Discussion ensued regarding the possible impact on Pin Oak Village.

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

9. New Business.

Annual Review of Emergency Water Contract with Harris-Fort Bend County Municipal Utility District's Numbers 1 and 5. Mr. Petrov noted that this was an annual review item and no action was needed. Discussion ensued regarding the effect that switching from the extra territorial jurisdiction ("ETJ") of Houston to the ETJ of Katy might have on the District's water supply.

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

SIGNED, PASSED and APPROVED this 17th day of December, 2014.



  
Secretary, Board of Directors

EXHIBITS:

- A - Leyendecker Letter dated November 19, 2014
- B - Audit Report for the FYE August 31, 2014
- B-1- Management letter
- C - Bookkeeper's Report
- D - Tax Assessor/Collector's Report
- E - Operations Report