

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**MAY 18, 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, May 18, 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 Carp, 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; Brandon Seay, Nathan Dackley, Developers of property adjacent to 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. Several residents commented on security and requested that the District investigate additional security within the District.

Nathan Dackley proposed annexing property to the District for office retail at a proposed site that is adjacent to the District. Mr. Leyendecker informed Mr. Dackley that the District had the capacity for water, but that an expansion of the Wastewater Plant would be required in order for the District to provide sewer services. The Board recommended that the developers visit with the District's Engineer to determine feasibility.

2. Approval of Minutes. The Board then considered approval of the April 20, 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 amended.

3. Bookkeeper's Report and Investment Report. Ms. Shelnut presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "A".

a. Ms. Shelnut first reviewed the written reports and responded to questions.

b. Ms. Shelnut 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 Davis, 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 7780 through 7806 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 96.5% of the 2015 taxes had been collected as of April 30, 2016.

c. 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 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 81.33% of the water pumped was accounted for during the previous month.

b. Mr. Williams then reported six (6) 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 six (6) delinquent accounts pursuant to the District's Rate Order and authorized mailing of the Consumer Confidence Report.

6. Engineering Report. Mr. Leyendecker discussed with the Board the Water Tank Project, stating that it should be under construction by next month.

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

7. Old Business.

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

8. Election Agenda.

Mr. Petrov directed the Board to consider certain Election Agenda matters.

a. Adopt Order Canvassing the Election Directors Carp and Davis for four (4) year term ending 2020.

b. The Certificates of Election were executed for Directors Carp and Davis, copies of which are attached as Exhibit "D."

c. Mr. Petrov presented Director Qualification Affidavits, copies of which are attached as Exhibit "E".

d. Next, Mr. Petrov presented the Statements of Elected/Appointed Officer, copies of which are attached as Exhibit "F," as required by the Texas Constitution.

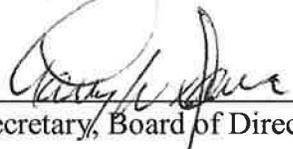
e. Mr. Petrov then proceeded to administer the Oath of Office to Director Davis, a copy of which is attached as Exhibit "G."

Mr. Petrov then inquired if the Board would like to change the slate of officers and upon motion by Director Comeaux, seconded by Director Davis, the Board agreed to change the slate of officers as follows: Rudolph C. Ammer, as President/Co-Tax Compliance Officer; Larry W. Davis as Vice President/District Investment Officer; Kenneth L. Comeaux as Secretary/Co-Tax Compliance Officer; Steve Berkenhoff as Treasurer and David A. Carp as Assistant Secretary.

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

SIGNED, PASSED and APPROVED this 15<sup>th</sup> day of June, 2016.



  
Secretary, Board of Directors

- A - Bookkeeper's Report
- B - Tax Assessor/Collector's Report
- C - Operations Report
- C-1- 2015 Consumer Confidence Report (CCR)
- D - Adopt Order Canvassing the Election
- E - Certificates of Election
- F - Director Qualification Affidavits
- G - Statements of Elected/Appointed Officer
- H - Oaths of Office