

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

FEBRUARY 15, 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, February 15, 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. Mr. Petrov reviewed an email from Jennifer Cook regarding the property at 25006 Mills Pass Court, Katy, Texas 77494 who was requesting a refund for the water and sewer fees, which total \$7.75, a copy of which is attached as Exhibit "A". The customer had no usage and recently moved. Discussion ensued. Upon motion by Director Berckenhoff, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board authorized the Operator to refund the customer for the water and sewer fees in the amount of \$7.75.

2. Approval of Minutes. The Board then considered approval of the January 18, 2017 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. Bookkeeper's Report and Investment Report. Ms. Shelnutt reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "B".

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

b. Ms. Shelnutt then 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 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 8034 through 8057 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 "C".

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

b. The Tax Assessor/Collector's Report reflected 69.1% of the 2016 taxes had been collected as of January 31, 2017.

c. The Board reviewed and considered approval of the Order Determining Ad Valorem Tax Exemption. Mr. Petrov reminded the Board of the current tax exemptions, including homestead exemptions, exemptions for residents 65 years of age and older, and exemptions for disabled residents. In previous years, the Board has granted a homestead exemption of 20% of the appraised value or \$5,000, whichever is greater; a \$10,000 exemption for disabled persons and for persons 65 years of age or older; an exemption for travel trailers with certain size restrictions; and exemptions for certain real and personal property owned by qualified charitable organizations. Upon motion by Director Carp, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board agreed to retain the same exemptions for 2017 as were approved in 2016, and to adopt an Order Determining Ad Valorem Tax Exemptions, a copy of which is attached hereto as Exhibit "C-1".

d. The Board next reviewed and discussed a Resolution Authorizing Petition Challenging Appraisal Records for the Tax Assessor/Collector to represent the District in filing a protest with the Fort Bend Central Appraisal District ("FBCAD"), a copy of which is attached as Exhibit "C-2". Mr. Petrov reminded the Board that this will allow Equi-Tax to represent the District in matters before FBCAD. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Resolution Authorizing Petition Challenging Appraisal Records, as presented.

e. The Board then reviewed the Resolution Implementing Penalty on 2016 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes. Upon motion by Director Davis, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Resolution Implementing Penalty on 2016

Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached hereto as Exhibit "C-3".

Upon motion by Director Comeaux, seconded by Director Berckenhoff, 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 2064 thru 2068 from the Tax Account.

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. He notes that there was a permit excursion in the month that actual flow 0.179 MGD exceeded the permitted flow of 0.175 MGD.

b. Mr. Williams reported that 92.27% of the water pumped was accounted for during the previous month. Mr. Williams also reported there were five (5) delinquent accounts scheduled for termination due to non-payment of water and sewer bills.

c. Mr. Williams next reviewed the proposal from Ferguson Waterworks ("Ferguson") for a Mueller AMI meter, a copy of the proposal is attached as Exhibit "D-1". He noted that Ferguson is a sole source provider for the Mueller meter. Director Berckenhoff makes a motion to table this item until the next Board of Director's meeting, which was seconded by Director Comeaux.

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.

a. Mr. Leyendecker then updated the Board on the current projects planned in the vicinity of the District. Mr. Leyendecker reported that the City of Katy has bid the Boardwalk.

b. Mr. Leyendecker then provided an update on the Water Tank Project (the "Project") noting that the City has given the go-ahead to start the Project.

c. Stephanie Hayes, Manager of Keivans Hospitality Inc. submitted a utility request for annexation of 23.36 acres for the Board's review and consideration, a copy of such request is attached as Exhibit "E". The item was tabled until the March Board of Director's meeting to allow the District's Engineer to review the request.

Upon motion by Director Davis seconded by Director Comeaux, 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") Summer Conference to be held June 22-25, 2017, in Corpus Christi, Texas. Upon motion by Director Davis, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance at the AWBD Summer Conference.

b. Director Ammer updated the Board regarding the City of Katy's discussions regarding a Fire Department. Director's Carp and Davis volunteered to assist with those discussions.

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 15th day of March, 2017.




Secretary, Board of Directors

- A - Email from Jennifer Cook
- B - Bookkeeper/Investment Report
- C - Tax Assessor/Collector's Report
- C-1- Order Determining Ad Valorem Tax Exemption
- C-2- Resolution Authorizing Petition Challenging Appraisal Records
- C-3- Resolution Implementing Penalty on 2016 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes
- D - Operations Report
- D-1- Ferguson Waterworks Proposal
- E - Utility Request for Annexation of 23.36 acres