

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**NOVEMBER 20, 2018**

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 1:30 p.m., at 1301 Misty Bend, Katy, Texas 77494, on Tuesday, November 20, 2018, 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:

Kenneth L. Comeaux	President/Co-Tax Compliance Officer
Stephen Berckenhoff	Vice President
David A. Carp	Secretary
Rudy Ammer	Treasurer /Co-Tax Compliance Officer
Larry W. Davis	Assistant Secretary /Investment Officer

All members of the Board were present, with the exception of Kenneth Comeaux, thus constituting a quorum. Also attending all or portions of the meeting were: Vanessa Hernandez of Myrtle Cruz, Inc. (the "Bookkeeper" or "MCI"), bookkeeper for the District; David Ferrier of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Bob Ring of Inframark (the "Operator" or "Inframark"), operator for the District; Joseph Ellis, CPA, McCall Gibson Swedlund Barfoot PLLC, auditor for the District; Allen Perez with the Westheimer Parkway Project ("Developer"); Alan P. Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; and James Ross, General Manager of Katy Mills.

The Vice 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.

Mr. Ross reported that Katy Mills had mowed the berm. He also stated that Katy Mills engaged a surveyor to verify the pond elevation and that a formal response to the District's letter will be coming. He also informed the Board of the improvements to the mall, noting that exterior renovations are currently scheduled to being next year.

2. Approval of Minutes. The Board then considered approval of the October 17, 2018 regular meeting minutes. Upon motion by Director Carp, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the minutes.

3. Audit Report. Mr. Ellis then presented a draft of the District's audit report for the fiscal year ended August 31, 2018, a copy of which is attached hereto as Exhibit "A". Mr. Ellis reviewed the draft audit report and responded to questions from the Board.

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 including filing the Continuing Disclosure Report.

4. Bookkeeper's Report and Investment Report. Ms. Hernandez reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "B".

a. Ms. Hernandez first reviewed the written reports and responded to questions. Director Davis noted that the CD maturing at Allegiance Bank should be renewed at Independence Bank.

b. Ms. Hernandez then reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2019.

Upon motion by Director Carp, seconded by Director Davis, 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 1327 through 1355 from the Operating Account.

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

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

Upon motion by Director Davis, 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 and authorized payment of check numbers 2195 thru 2198 from the Tax Account.

6. Operations Report. Mr. Ring presented the Operations Report, a copy of which is attached hereto as Exhibit "D".

Mr. Ring reviewed the written report. He also discussed with the Board the TCEQ Notice of Violation at the WWTF. He stated that he and the Engineer will be responding to the TCEQ. He then responded to other questions from the Board.

The Board tabled discussion of the Rate Order until the December Board meeting.

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

7. Engineering Report. Mr. Leyendecker was not present and therefore, no report was given.

8. New Business/Miscellaneous. Mr. Harrington presented and reviewed with the Board a 60-month term Energy Rate Plan with Hudson Energy. He also passed out and

discussed a Competitor Analysis, a copy of which is attached hereto as Exhibit "E," that compared prices from different suppliers.

Upon motion by Director Ammer seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved a 60-month term Energy Rate Plan with Hudson Energy.

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

SIGNED, PASSED and APPROVED this 19th day of December, 2018.

[DISTRICT SEAL]



*David Gp*

Secretary, Board of Directors

EXHIBITS:

- A - Draft Audit Report fiscal year ended 8/31/18
- B - Bookkeeper's Report
- C - Tax Assessor/Collector's Report
- D - Operations Report
- E - Competitor Analysis – Retail Electric Provider Rates