

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**JANUARY 16, 2019**

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 16, 2019, 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, 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; 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; Chris Thornhill of The Thornhill Law Firm (the "DTA" or "Thornhill") delinquent tax attorney for the District; and Carter W. Dean 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.

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 19, 2018 regular meeting minutes. Upon motion by Director Berckenhoff, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the minutes.

3. Bookkeeper's Report and Investment Report. Ms. Shelnett reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "A".

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

b. Ms. Shelnett 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 Berckenhoff, seconded by Director Ammer, 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 1382 through 1405 from the Operating Account.

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

a. Mr. Ferrier reviewed the written report and responded to questions from the Board. He reminded the Board that it was time for the Board to consider the 2019 tax exemptions.

b. The Tax Assessor/Collector's Report reflected 28.9% of the 2018 taxes had been collected as of December 31, 2018.

c. Mr. Thornhill updated the Board on recent collections and suits.

Upon motion by Director Carp, 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 2204 thru 2207 from the Tax Account.

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

a. Mr. Ring reviewed the current operations in the District. He updated the Board on the valve at the Interconnect with Harris-Fort Bend MUD No. 1 ("HFB-1") that is leaking and stated that he would look for steam during a cold spell to find the leak(s). He also discussed the TCEQ is looking for the "Approval for Use," and Johnson Petrov will file for an exception. Mr. Ring responded to questions from the Board.

b. The Board tabled discussion of the Rate Order until the February Board meeting.

c. The Board plans to call a special meeting on January 30, 2019 at 7:00 p.m. to discuss the proposed amendment to the Inframark contract.

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

6. Engineering Report. The engineer, Mr. Leyendecker, was not present at the meeting.

7. New Business/Miscellaneous. Mr. Dean presented a letter from the TCEQ requesting all Districts to submit an updated Drought Contingency Plan by May 1, 2019, a copy of the letter is attached as Exhibit "D." Discussion ensued.

Upon motion by Director Davis seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Operator, Engineer and Attorney to review the current Drought Contingency Plan and make recommendations to the Board.

8. Old Business.

The Board next reviewed and discussed the letter from Mark Lingelbach, Senior Civil Engineer with Simon dated January 7, 2019 and determined it would be best to wait for Simon's formal response to the District's letter of October 25, 2018 addressing drainage issues pertaining to the Katy Mills LP Drainage Facilities Agreement. A copy of the letter is attached hereto as Exhibit "E."

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

SIGNED, PASSED and APPROVED this 20th day of February, 2019.



  
Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report
- B - Tax Assessor/Collector's Report
- C - Operations Report
- D - TCEQ letter dated 9/14/18
- E - Simon letter dated 1/7/19