

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

January 15, 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, January 15, 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:

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

All members of the Board were present, except Director Carp thus constituting a quorum. Also attending all or portions of the meeting were: Kim Shelnett of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District; Rico Rodriguez, P.E., of RR Engineering, LLC, engineers for Pulte Homes ("Pulte"); Ken Byrd of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Joe Williams of Severn Trent Environmental Services, Inc. (the "Operator" or "ST"), operator for the District; David Leyendecker, P.E., of Clay & Leyendecker, Inc. (the "Engineer"), engineers for the District; and Regina D. Adams of Johnson Radcliffe Petrov & Bobbitt PLLC (the "Attorney" or "JRPB"), 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. The President inquired whether there was any public comment concerning the business of the District. There being no public comment, the President directed the Board to proceed with the agenda.

2. The Board then considered approval of the December 18, 2013 regular meeting minutes. Upon motion by Director Davis, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved such minutes, subject to certain corrections.

Mr. Williams entered the meeting at this time.

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

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

- b) The Tax Assessor/Collector's Report reflected that 18.8% of the 2013 taxes have been collected as of December 31, 2013.

Upon motion by Director Davis, 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 checks numbered 1934 and 1935 from the Tax Account.

Mr. Byrd exited the meeting at this time.

4. Mr. Williams then presented the Operator's Report, a copy of which is attached hereto as Exhibit "B".

- a) Mr. Williams reviewed the written report and responded to questions from the Board.
- b) Mr. Williams reported that 90.73% of the water pumped was accounted for during the previous month.
- c) Mr. Williams then reported that there were no excursions at the wastewater treatment plant (the "STP").
- d) Mr. Williams reported that there were 12 delinquent accounts for non-payment of water and sewer bills.
- e) Mr. Williams recommended that one (1) account in the amount of \$149.24 be turned over to Collections Unlimited for collection.
- f) Mr. Williams reported that the ammonia levels are higher than normal at the STP. Mr. Williams stated that the high ammonia levels may be attributable to problems with the STP blowers. Mr. Williams added that there should not be an air flow issue at the STP. Mr. Williams reported that ST will pull the blowers for inspection and testing by the manufacturer's representative. Mr. Williams noted that the Operator may be able to prevent the pulling of the blowers if there are problems elsewhere in the air system. A discussion on the matter ensued.
- g) Director Ammer inquired about the water line repairs on Breezy Bend. Mr. Williams reported that on Christmas Eve there were three (3) different leaks requiring repair.

Upon motion by Director Ammer, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented, authorized termination of service to 12 delinquent accounts pursuant to the District's Rate Order, and to authorize turning over one (1) account to collections.

5. The Engineer's Report was presented by Mr. Leyendecker.

a) Mr. Leyendecker reported that Michael Walton requested one (1) new water and sewer tap for a proposed church located on Roesner Road. A discussion ensued regarding the billing for such tap pursuant to the Agreement Providing for the Operation and Maintenance of Water and Wastewater Facilities By and Between the District and Mr. Walton. Ms. Adams noted that this request came too late to be included on the agenda and the matter will be presented at the February Board meeting.

6. Mr. Leyendecker stated that he has no updates to report at this time in connection with the status of maintenance of the addition of street lights in Pin Oak Village and Mills Pointe.

Upon motion by Director Ammer, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report.

Ms. Shelnett entered the meeting at this time.

7. Director Ammer stated that he had no update on the Katy Mills berm at this time.

8. Ms. Shelnett presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "C".

a) Ms. Shelnett first reviewed the written report and responded to questions from the Board.

b) Ms. Shelnett next reviewed current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2014.

c) A discussion ensued regarding the transfer of investment funds.

Upon motion by Director Ammer, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report, as presented, and authorized payment of checks numbered 7112 through 7134 from the Operating Account.

9. Ms. Adams reported that she coordinated with Directors Carp and Berckenhoff regarding the proposed Out-of-District Service Agreement with Fort Bend County Municipal Utility District No. 185 ("FBMUD 185") and Pulte to serve the 26-acre tract (the "Tract") for proposed residential development by Pulte. Ms. Adams requested that the remaining Board members review the proposed agreement and contact her with any questions and/or comments prior to the next Board meeting. Mr. Rodriguez then reported that the annexation process is underway in FBMUD 185 and Pulte has authorized him to proceed with preparation of the plans and specifications for the utility construction. Mr. Rodriguez added that closing on the Tract is tentatively scheduled for January 21<sup>st</sup>.


10. The Board next discussed the May 10, 2014 Directors Election (the "Election"). Ms. Adams reported that Directors Ammer, Comeaux and Berckenhoff are up for re-election. The Directors then concurred that the early voting and Election Day polling location should be at the Pin Oak Village Clubhouse. The Directors also indicated their desire for Mr. John Cassidy to

serve as election judge and Ms. Patty Cassidy to serve as the early voting clerk for the Election. The Directors also indicated their desire to utilize paper ballots only in the Election.

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

SIGNED, PASSED and APPROVED this 19<sup>th</sup> day of February, 2014.



  
Secretary, Board of Directors

EXHIBITS:

- A - Tax Assessor/Collector Report
- B - Operations Report
- C - Bookkeeper's Report, including Investment Report