

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

APRIL 19, 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, April 19, 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 with the exception of Director Davis, 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; Clay Brandenburg and Bob Ring of ST (the "Operator" or "ST"), operator for the District; David Leyendecker, of Clay & Leyendecker, Inc., engineer for the District; Sarah Burson and Jason Burson of Accurate Meter & Supply; Stephanie Hayes, Keivans Hospitality Inc. 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. Sarah and Jason Burson, distributors of the Badger Meter System review with the Board the use of Badger Meters and Beacon software for possible meter replacement, which eliminates the need for external facilities such as towers and repeaters. They gave an overview of the Badger/Beacon system. A copy of the brochure is attached as Exhibit "A". The Board thanked Sarah and Jason for their presentation.

2. Approval of Minutes. The Board then considered approval of the March 15, 2017 regular meeting minutes. Upon motion by Director Berckenhoff, seconded by Director Carp, 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. Shelnut reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "B".

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

b. Ms. Shelnut 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 Davis, seconded by Director Carp, 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 8083 through 8113 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 97.4% of the 2016 taxes had been collected as of March 31, 2017.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, 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 2076 thru 2079 from the Tax Account.

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

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

b. Mr. Brandenburg reported that 92.40% of the water pumped was accounted for during the previous month. He reported there were two (2) delinquent accounts scheduled for termination due to non-payment of water and sewer bills.

c. The Board discussed the Water Meter Replacement Project. The Board reviewed the options and discussed the possibility of a pilot project. No action was taken and this item was tabled until next month so that all directors could participate in the descision.

Upon motion by Director Comeaux seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, as presented including, authorizing termination of service to two (2) delinquent accounts pursuant to the District's Rate Order.

6. Engineering Report.

a. Mr. Leyendecker reported on the current development in the vicinity of the District and responded to questions from the Board.

b. Mr. Leyendecker reported that the Water Tank project is going well. He recommended adding an epoxy coating to the pressure tank. Discussion ensued. Upon motion by Director Berckenhoff seconded by Director Comeaux, the Board approved the epoxy coating to the pressure tank in an amount not to exceed \$20,000.

c. The Board discussed service requests from property owners near the District. Ms. Hayes described the current development plan for their property and the Board discussed what would be needed to serve the property. Upon motion by Director Berckenhoff seconded by Director Carp, the Board (i) approved the Engineering Report and (ii) authorized Johnson Petrov to prepare a letter of intent to serve the Keivans Hospitality property for consideration at the next Board meeting.

7. New Business.

a. Update concerning discussions with the City of Katy. No updates at this time. It was noted that the City will have an election in May and may have a new Mayor following the election.

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 17th day of May, 2017.

[DISTRICT SEAL]

EXHIBITS:

- A - Badger Meter System Brochure
- B - Bookkeeper/Investment Report
- C - Tax Assessor/Collector's Report
- D - Operations Report


Secretary, Board of Directors

