

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**MAY 17, 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, May 17, 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; 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; Stephanie Hayes, Keivans Hospitality Inc.; Allen Perez with the Westheimer Parkway Project ("Developer"); 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.
2. Approval of Minutes. The Board then considered approval of the April 19, 2017 regular meeting minutes. Upon motion by Director Davis, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved such minutes as presented.
3. Elect Officers. Next, the Board considered rotating officers. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board voted that the officer positions shall be as follows:

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

4. 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 "A".

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 Ammer, seconded by Director Comeaux, 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 8115 through 8138 from the Operating Account.

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

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

b. The Tax Assessor/Collector's Report reflected 97.8% of the 2016 taxes had been collected as of April 30, 2017.

c. Equi-Tax is switching service providers for credit/debit card and e-check payment for tax payments. The new provider is First Billing and the Board reviewed the Payment Services Agreement, a copy of which is attached hereto as Exhibit "B-1".

Upon motion by Director Carp, 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 2080 thru 2082 from the Tax Account, including approval of the First Billing Payment Services Agreement.

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

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

b. Mr. Ring 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. 2016 Drinking Water Quality Report. Mr. Ring distributed the final copy of the 2016 Drinking Water Quality Report/Consumer Confidence Report (the "CCR"), a copy of which is attached hereto as Exhibit "C-1".

d. The Board next discussed the Water Meter Replacement Project and compared the proposals that had been received. Director Ammer made a motion to approve the



proposal presented by Accurate Meter at the April Board of Director's meeting. The motion was seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Water Meter Replacement Project.

Upon motion by Director Ammer 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 four (4) delinquent accounts pursuant to the District's Rate Order.

7. 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 noting that we should be going back on the District's water next week.

c. Mr. Leyendecker then updated the Board on the cost to expand the Plant.

d. Mr. Leyendecker presented Keivans Hospitality a cost estimate in the amount of \$1,170,840 for the Wastewater Treatment Plant Expansion and stated that Keivans Hospitality would be expected to pay their pro-rata share. Mr. Petrov reviewed a draft letter of intent for the proposed annexation of the 23.36 acre tract and the annexation agreement for same, copies which are attached hereto as Exhibit "D". Mr. Perez stated that he was also interested in obtaining service and being annexed by the District and described his current development plan. The Board asked both Ms. Hayes and Mr. Perez to work with Mr. Leyendecker and Mr. Petrov.

e. Next, Mr. Leyendecker reported that the Wastewater Permit renewal application has been filed and is being processed.

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

8. New Business.

a. Review emergency response procedures. The District's operator confirmed that their emergency procedures had been reviewed.

9. 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.

RESOLUTION PASSED and APPROVED this 21st day of June, 2017.



  
Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper Investment Report
- B - Tax Assessor/Collector's Report
- B-1- First Billing Payment Services Agreement
- C - Operations Report
- C-1- 2016 Drinking Water Quality Report
- D - WWTP Expansion Cost Estimate; Letter of Intent and Annexation Agreement