

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

September 16, 2015

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, September 16, 2015, 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:

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

All members of the Board were present, except Director Davis, 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; Jeff Sonnheim of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Joe Williams of ST (the "Operator" or "ST"), operator for the District; David Leyendecker, of Clay & Leyendecker, Inc., the District's Engineer; 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. The President inquired as to whether there was any public comment concerning the business of the District. Mr. Perez addressed the Board and presented a land plan for his project returning to the original office complex, a copy of which is attached hereto as Exhibit "A". He also mentioned that he is negotiating to include an additional tract (Tract 4 being 0.782 acres). Mr. Leyendecker stated that he would review the developer's latest proposal to determine what facilities would need to be constructed.

2. Approval of Minutes. The Board then considered approval of the August 19, 2015 regular meeting minutes. Upon motion by Director Comeaux, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved such minutes as revised.

3. Bookkeeper's Report and Investment Report. Ms. Shelnutt presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "B".

a. Ms. Shelnutt first reviewed the written reports and responded to questions from the Board.

b. Next, Ms. Shelnutt reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending September 30, 2015.

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, and authorized payment of checks numbered 7576 through 7597 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 that 98.8% of the 2014 taxes have been collected as of August 31, 2015.

c. Next, the President called the public hearing on the 2015 tax rate to order, notice of which was published, as required, in the Katy Times for seven (7) days prior to the meeting, a copy of which is attached hereto as Exhibit "D". The President noted that no one from the public commented. The President stated that according to the notice, the Board intends to levy a 2015 total ad valorem tax rate of \$0.50 per \$100 of assessed value for the year 2015. The public hearing was adjourned.

d. The Board then discussed adopting the proposed 2015 tax rate. Upon motion by Director Berckenhoff, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board adopted the Order Setting Rate and Levying Tax for 2015 (the "Tax Rate Order"), with a total ad valorem tax rate of \$0.50 per \$100 of assessed value for tax year 2015, entirely comprised of an operation and maintenance tax, for the fiscal year ending August 31, 2016. A copy of the Tax Rate Order is attached hereto as Exhibit "E".

e. The Board then discussed approval of an Amended and Restated District Information Form, a copy of which is attached hereto as Exhibit "F", which is required to be amended to show the current tax rate, any outstanding debt, of which there is none, and the Notice to Purchasers form, and is to be recorded in the Fort Bend County Real Property Records (the "FBCRPR") and filed with the Texas Commission on Environmental Quality (the "TCEQ"). Upon motion by Director Berckenhoff, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Amended and Restated District Information Form, and authorized JP to record same in the FBCRPR and file it with the TCEQ, as required by law.

f. The Board next considered appointing a Tax Assessor/Collector for collection of 2015 taxes. Upon motion by Director Berckenhoff, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board adopted the Order Appointing Tax Assessor/Collector, appointing Kenneth Byrd as Tax Assessor/Collector for the District, a copy of which is attached hereto as Exhibit "G".

g. The Board next considered a Resolution Concerning Tax Collection Procedures. Upon motion by Director Berckenhoff, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board voted to adopt the Resolution Concerning Tax Collection Procedures, thereby rejecting the tax payment options. A copy of the resolution is attached hereto as Exhibit "H".

Upon motion by Director Berckenhoff, 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 2001 thru 2004 from the Tax Account.

5. Operations Report. Mr. Williams then presented the Operations Report, a copy of which is attached hereto as Exhibit "I".

a. Mr. Williams reviewed the written report and responded to questions from the Board. Mr. Williams reported that 90.59% of the water pumped was accounted for during the previous month.

b. Mr. Williams also reported eight (8) delinquent accounts for non-payment of water and sewer bills.

Upon motion by Director Berckenhoff 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 eight (8) delinquent accounts pursuant to the District's Rate Order.

6. Engineer's Report. Mr. Leyendecker reviewed the current engineering activities within the District and responded to questions from the Board.

a. Mr. Leyendecker updated the Board concerning development projects in the District. Mr. Leyendecker recommended working on the roof of the water tank while it is winter as water usage will be lower.

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

7. New Business.

a. House Bill ("HB") 3357 related to website posting of meeting notices. Mr. Petrov stated that HB 3357 provides that the District may (i) either provide notice of each meeting to the

county clerk for posting at the County Courthouse; or (ii) post notice of each meeting on the District's website. Discussion ensued and upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board voted to allow that in compliance with Open Meeting Act Section 551.054, as amended, the meeting notice can be posted on the District's website in lieu of at the County Courthouse.

b. The Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") Mid-Winter Conference to be held January 22-23, 2016, in Galveston, Texas. Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance to the AWBD Mid-Winter Conference, January 22-23, 2016, in Galveston, Texas.

8. Old Business.

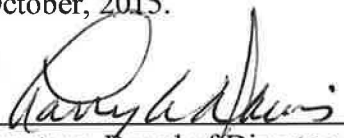
a. Status of maintenance at Kay Mills Berm. There was no update at this time.

b. Status of Relocating Street Light – Pin Oak Village and Mills Pointe. There was no update at this time.

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

SIGNED, PASSED and APPROVED this 21st day of October, 2015.




Secretary, Board of Directors

- A - Westheimer Parkway Business Park – Conceptual Project Plan
- B - Bookkeeper's Report, including Investment Report
- C - Tax Assessor/Collector Report
- D - Notice of Public Hearing on Tax Rate and Affidavit of Publication
- E - Order Setting Rate and Levying Tax for 2015
- F - Amended and Restated District Information Form
- G - Order Appointing a Tax Assessor/Collector
- H - Resolution Concerning Tax Collection Procedures
- I - Operations Report