

# FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

## MINUTES OF MEETING OF BOARD OF DIRECTORS

OCTOBER 19, 2016

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, October 19, 2016, 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: 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., engineer for the District; Mathew Cox, a resident of the District; Patrick Mahoney of Mahoney Law, PLLC (the "Delinquent Tax Attorney"); and Zachary 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. Cox, a resident of the district approached the Board regarding termination notice for his delinquent tax account. This was further discussed below under the Delinquent Tax Report.

2. Approval of Minutes. The Board then considered approval of the September 21, 2016 regular meeting minutes. Upon motion by Director Carp, seconded by Director Berckenhoff, 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. Shelnett presented 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 next reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2016.

Upon motion by Director Davis, 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 7925 through 7949 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 "B".

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

b. The Tax Assessor/Collector's Report reflected 98.7% of the 2015 taxes had been collected as of September 30, 2016.

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 2052 thru 2053 from the Tax Account.

5. Delinquent Tax Attorney Report. Mr. Mahoney presented an oral Delinquent Tax Report. The Board also discussed the delinquent tax account of Mathew Cox. Upon motion by Director Davis, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board gave Mr. Cox until December 1<sup>st</sup> to avoid termination of service. No action was taken on any other delinquent accounts with consideration to such accounts continued until the November Board of Directors meeting.

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

a. Mr. Williams reviewed the written report and responded to questions from the Board. Mr. Williams reported that 97.99% of the water pumped was accounted for during the previous month. Mr. Williams also reported two (2) delinquent account for non-payment of water and sewer bills.

b. Mr. Williams next reported that CenterPoint had turned off the power without warning; and that the generator was not working properly, he went to the interconnect for a few hours and noted that the water pressure never went below the required pressure. He also noted that they performed flushing about a week after the incident and that the generator is being repaired.

Upon motion by Director Davis 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 two (2) delinquent accounts pursuant to the District's Rate Order.

7. Engineering Report.

a. Mr. Leyendecker updated the Board on current projects planned in the vicinity of the District. He also presented an Engineering Cost Estimate for the Wastewater

Treatment Plant Expansion in the amount of \$1,170,840.00. He further noted a one (1) year completion time.

b. Update regarding KMK Development Request for Service. Deferred to November Board of Director's meeting.

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

8. New Business.

a. Annual Review of Investment Policy. Mr. Zachary Petrov then presented an Order Reviewing Investment Policy, a copy of which is attached hereto as Exhibit "D." Mr. Petrov stated that reviewing the Investment Policy was an annual requirement of the Texas Public Funds Investment Act, but that no changes were being proposed at this time.

Upon motion by Director Davis, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Order Reviewing Investment Policy.

b. Refund Request for Additional Connection Fee by Quadvest on behalf of Westside Water. Discussion ensued. There were no representatives of either Quadvest or Westside Water was present at the meeting, therefore, the request was denied.

Upon motion by Director Davis, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board denied the refund request for additional connection fee by Quadvest on behalf of Westside Water.

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.

PASSED and APPROVED this 16<sup>th</sup> day of November, 2016.



*Kenneth L. Comeaux*  
Secretary, Board of Directors

- EXHIBITS:
- A - Bookkeeper's Report
  - B - Tax Assessor/Collector's Report
  - C - Operations Report
  - D - Engineering Cost Estimate of Wastewater Treatment Plant Expansion