

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

SEPTEMBER 20, 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, September 20, 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:

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

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; Bob Ring of ST (the "Operator" or "ST"), operator for the District; David Leyendecker, of Clay & Leyendecker, Inc., engineer for the District; James Schuck and Todd and Alexis Carrico; residents of the District; 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. James Schuck commented that his home was flooded by the City of Katy Lake. He spoke regarding the terms of the original Drainage Facilities Agreement, stating that the City of Katy has added the Katy Boardwalk and the Central Lake. Director Davis asked what was he asking of the District. Mr. Schuck complained about the design of the spillway. Mr. Todd Carrico presented the Board with a letter with potential action items, one suggesting the District put in a concrete wall to block the subdivision from water coming over the spillway. A copy is attached hereto as Exhibit "A." Mr. Carrico also asked the Board for whatever help it could give in dealing with the City of Katy. Mr. Leyendecker noted that the City has hired an engineer to review its drainage in the City.

2. Approval of Minutes. The Board then considered approval of the August 16, 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 as presented.

3. 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 "B".

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 Berckenhoff, 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 8218 through 8234 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 98.3% of the 2016 taxes had been collected as of August 31, 2017.

Next, the President called the public hearing on the 2017 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 "C-1". The President noted that no one from the public commented. The President stated that according to the notice, the Board intends to levy a 2017 total ad valorem tax rate of \$0.49 per \$100 of assessed value for the year 2017. The public hearing was adjourned.

d. The Board then discussed adopting the proposed 2017 tax rate. Upon motion by Director Berckenhoff, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board adopted the Order Setting Rate and Levying Tax for 2017 (the "Tax Rate Order"), with a total ad valorem tax rate of \$0.49 per \$100 of assessed value for tax year 2017, entirely comprised of an operation and maintenance tax, for the fiscal year ending August 31, 2018. A copy of the Tax Rate Order is attached hereto as Exhibit "C-2".

e. The Board then discussed approval of an Amended and Restated District Information Form, a copy of which is attached hereto as Exhibit "C-3", 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 Carp, 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 2017 taxes. Upon motion by Director Carp, seconded by Director Berckenhoff, 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 "C-4".

g. The Board next considered a Resolution Concerning Tax Collection Procedures. Upon motion by Director Berckenhoff, seconded by Director Comeaux, 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 "C-5".

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

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

b. Mr. Ring reported that 83.4% of the water pumped was accounted for during the previous month.

c. He reported that the water meter project will be starting soon and that the Hurricane issues have mostly been resolved.

Upon motion by Director Berckenhoff seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Operations Report, as presented.

6. Engineering Report.

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

b. He next reported that the letter went out to the TCEQ regarding enforcement issue and the TCEQ has sent its draft letter.

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.

7. New Business.

a. The Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") Fall Seminar and Mid-Winter Conference scheduled to be held in Dallas, Texas. Upon motion by Director Comeaux, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance to the Fall Seminar and AWBD Mid-Winter Conference in Dallas, Texas.

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 18th day of October, 2017.

[DISTRICT SEAL]


Secretary, Board of Directors

EXHIBITS:

- A - Letter from Todd Carrico dated 9/20/17
- B - Bookkeeper's Report
- C - Tax Assessor/Collector's Report
- C-1 Notice of Public Hearing on Tax Rate and Affidavit of Publication
- C-2- Order Setting Rate and Levying Tax for 2017
- C-3- Amended and Restated District Information Form
- C-4- Order Appointing a Tax Assessor/Collector
- C-5- Resolution Concerning Tax Collection Procedures
- D - Operations Report

