

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

JUNE 21, 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, June 21, 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: Terry Holland 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; Nino Corbett with Post Oak Properties; Simon Vandyk with Triton; 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. Mr. Simon Vandyk made a brief presentation to the Board about the Katy EDC and invited the Board to a Meet & Greet function that is being sponsored by the EDC for the Katy Area District's Council. The Board thanked Mr. Vandyk for his time.

2. Approval of Minutes. The Board then considered approval of the May 17, 2017 regular meeting minutes. Upon motion by Director Carp, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved such minutes as presented.

3. Bookkeeper's Report and Investment Report. Mr. Holland reviewed with the Board the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "A".

a. Mr. Holland first reviewed the written reports and responded to questions.

b. Mr. Holland then reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2017.

c. Mr. Holland also reported he had completed the escheatment for the July 1, 2017 deadline and that nothing was due for this filing period.

The Board next discussed the pumpage fee charged by the North Fort Bend Water Authority for water purchased from the City of Katy (the "City"). The Board requested that the District's Engineer, Bookkeeper and Attorney investigate a rebate of such fees since the water purchased from the City already includes fees for the West Harris County Water Authority.

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 8140 through 8163 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 98.0% of the 2016 taxes had been collected as of May 31, 2017.

Upon motion by Director Carp, 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 2084 thru 2087 from the Tax Account, and noted that check number 2083 was voided to be used to set up a credit card.

5. 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 90.30% 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. Mr. Ring presented the estimated cost for meter installation of the AMR Badger Meters. Discussion ensued and the Board reviewed the cost of meters as well as the cost of installation by ST. Upon motion by Director Ammer seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approves the negotiated rate with Severn Trent in the total amount of \$248,948 for meter installation of the AMR Badger Meters.

d. Next, Mr. Ring discussed with the Board the booster pump motor that failed and needs to be replaced. Upon motion by Director Berckenhoff seconded by

Director Carp, after full discussion and with all Directors present voting aye, the Board authorized replacement of the booster pump motor with the lowest price available.

e. Mr. Ring also discussed the bushes against the fence at the Sewer Plant and requested authorization to trim. The Board requested he obtain additional price quotes.

f. Next, the Board discussed the need to address the NH₃ violation at the Wastewater Treatment Plant. Mr. Leyendecker will look into the matter and report back to the Board at the July meeting.

Lastly, the Board discussed the replacement of the City of Katy Interconnect meter. Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved replacement of the City of Katy Interconnect meter with the City of Katy paying half (1/2) of the cost of replacement.

Upon motion by Director Berckenhoff seconded by Director Carp, 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. He also reported that Notice for the TCEQ permit renewal is being published. He also responded to questions from the Board.

b. Mr. Corbett, a developer with Post Oak Properties, discussed possible future development of three (3) acres that he still owns in the District.

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

7. New Business.

a. Director Comeaux discussed the electric rate information provided by Mike Harrington and recommended that the Board take no action at this time.

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 19th day of July, 2017.

[DISTRICT SEAL]


Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper/Investment Report
- B - Tax Assessor/Collector's Report
- C - Operations Report

