

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

**MINUTES OF MEETING OF BOARD OF DIRECTORS**

**FEBRUARY 21, 2018**

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, February 21, 2018, 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; Alan P. Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District and Stephanie Hayes with Keivans Hospitality Inc. ("Developer").

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. There being no public comment, the President directed the Board to proceed with the agenda.

2. Approval of Minutes. The Board then considered approval of the January 24, 2018 special meeting minutes. Upon motion by Director Ammer, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the minutes as presented.

3. Bookkeeper's Report and Investment Report. Ms. Shelnett reviewed with the Board 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 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 Carp, seconded by Director Berckenhoff, 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 1097 through 1119 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 69.9% of the 2017 taxes had been collected as of January 31, 2018.

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 2144 thru 2157 from the Tax Account.

c. The Board reviewed and considered approval of the Order Determining Ad Valorem Tax Exemption. Mr. Petrov reminded the Board of the current tax exemptions, including homestead exemptions, exemptions for residents 65 years of age and older, and exemptions for disabled residents. In previous years, the Board has granted a homestead exemption of 20% of the appraised value or \$5,000, whichever is greater; a \$10,000 exemption for disabled persons and for persons 65 years of age or older; an exemption for travel trailers with certain size restrictions; and exemptions for certain real and personal property owned by qualified charitable organizations. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board agreed to retain the same exemptions for 2018 as were approved in 2017, and to adopt an Order Determining Ad Valorem Tax Exemptions, a copy of which is attached hereto as Exhibit "B-1".

d. The Board next reviewed and discussed a Resolution Authorizing Petition Challenging Appraisal Records for the Tax Assessor/Collector to represent the District in filing a protest with the Fort Bend Central Appraisal District ("FBCAD"), a copy of which is attached as Exhibit "B-2". Mr. Petrov reminded the Board that this will allow Equi-Tax to represent the District in matters before FBCAD. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Resolution Authorizing Petition Challenging Appraisal Records, as presented.

e. The Board then reviewed the Resolution Implementing Penalty on 2017 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Resolution Implementing Penalty on 2017 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached hereto as Exhibit "B-3".

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. Next, Mr. Ring reported that 90.67% of the water pumped was accounted for during the previous month. Mr. Ring also reported six (6) delinquent accounts for non-payment of water and sewer bills. .

c. Mr. Ring also reported an NH3 excursion at the Wastewater Treatment Plant. He also reviewed with the Board a memorandum dated February 21, 2018 detailing same to ensure Wastewater Permit Compliance. A copy is attached to the Operations Report.

Upon motion by Director Ammer seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Operations Report; and authorized termination of service to six (6) delinquent accounts pursuant to the District's Rate Order.

6. Engineering Report. Mr. Leyendecker presented the Engineer's Report.

a. Mr. Leyendecker reviewed current activities within the District and answered questions from the Board.

b. Mr. Petrov presented an update on the proposed annexation located at Westheimer Parkway by Keivans Hospitality.

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

7. New Business.

a. Memorandum Regarding SB 625 Filing Requirement. Mr. Petrov presented a memorandum to the Board regarding the SB 625 filing requirement. A copy of the memorandum is attached hereto as Exhibit "D."

b. Authorize attendance at AWBD Summer Conference (San Antonio). The Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") Summer Conference to be held June 21-24, 2018, in San Antonio, 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 at the AWBD Summer Conference.

8. Old Business.

a. Update on LED Street Light Installation Agreement. There was none at this time.

**ELECTION AGENDA:**

Mr. Petrov updated the Board concerning the May 5, 2018 Directors Election. He stated that four applications for place on the ballot had been received for the three positions that will be up, so the District will have an election.

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



SIGNED, PASSED and APPROVED this 21<sup>st</sup> day of March, 2018.

*RC Summer ast*

Secretary, Board of Directors

- EXHIBITS:
- A - Bookkeeper's Report
  - B - Tax Assessor/Collector's Report
  - B-1- Order Determining Ad Valorem Tax Exemption
  - B-2- Resolution Authorizing Petition Challenging Appraisal Records
  - B-3- Resolution Implementing Penalty on 2017 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes
  - C - Operations Report
  - D - Memo regarding SB 625 Filing Requirement