

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

NOVEMBER 15, 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, November 15, 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 Shelnutt 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; Joseph Ellis, CPA, McCall Gibson Swedlund Barfoot PLLC, auditor for the District; Zach Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; and Mike Windham, James Schuck and Mike Pritchard.

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. Mike Windham, a resident of the District, approached the Board regarding an adjustment of his water bill. ST stated they would go out and check Mr. Windham's water meter.

Mr. James Schuck, a resident of the District, continued his prior discussion regarding the ditch and that there should be a certain level of commitment regarding same. The Board stated the District's Engineer would inspect the ditch and that they planned to authorize a clean-up of the ditch during the meeting. Mr. Leyendecker stated he believed Costello would be done sometime in January with their drainage study for the Katy Development Board and will try to get a copy for the Board when the study is complete.

Mr. Mike Pritchard, who is not a resident of the District, stated he is concerned about flooding and would like the Board to focus on benefitting the residents when dealing with Katy developers. Mr. Pritchard stated he expects some action by someone and believes the District is not protecting itself from the City and developers.

2. Approval of Minutes. The Board then considered approval of the October 18, 2017 regular 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 with corrections.

3. Audit Report. Mr. Ellis then presented a draft of the District's audit report for the fiscal year ended August 31, 2017, a copy of which is attached hereto as Exhibit "A". Mr. Ellis reviewed the draft audit report and responded to various questions from the Board.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the audit report including filing the Continuing Disclosure Report.

4. 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 Ammer, 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 1027 through 1048 from the Operating Account.

5. 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 98.5% of the 2016 taxes and 4.8% of the 2017 taxes had been collected as of October 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 2107 thru 2120 from the Tax Account.

6. 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. Next, Mr. Ring reported that 81.55% of the water pumped was accounted for during the previous month. Mr. Ring also reported nine (9) delinquent accounts for non-payment of water and sewer bills.

c. Mr. Ring presented the following estimates for the Board's review and consideration:

i. Champions Hydro-Lawn. An estimate in the amount of \$14,900.00 for clean-up of 8.44 acres at the South Channel located at Westheimer and Shadow Forest.

ii. Venture Landscape Systems, L.L.C. An estimate for work at the Sewer Treatment Plant (the "Plant") to spray the poison ivy (\$60.00); Rake all cuttings and old limbs back from fence, haul, mow and weed (\$280.00); and seeding rye grass (\$60.00).

iii. North Side Electric Motors. Repair 30HP US VHS Motor, no name tag, 1800 RPM, Typear in the amount of \$4,175.00; a new 30HPUS VHS motor, type: AUS, 1800 RPM, 460V, in the amount of \$3,976.00; Repair Simmons Turbine Pump Model #SP-9M (\$8,835.00); Repair Simmons turbine Pump with New Bowl assembly and new head shaft assembly (\$9,127.00); and New Replacement Simmons Pump Complete, less motor, includes new head shaft assembly (\$10,044.00).

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; authorized termination of service to nine (9) delinquent accounts pursuant to the District's Rate Order; approved Champions Hydro-Lawn estimate in the amount of \$14,900.00 for clean-up of 8.44 acres at the South Channel located at Westheimer and Shadow Forest; Venture Landscape Systems, L.L.C. estimate to spray the poison ivy (\$60.00); Rake all cuttings and old limbs back from fence, haul, mow and weed (\$280.00); and seeding rye grass (\$60.00) and North Side Electric Motors for a new 30HPUS VHS motor, type: AUS, 1800 RPM, 460V, in the amount of \$3,976.00; a New Replacement Simmons Pump Complete, less motor, includes new head shaft assembly in the amount of \$10,044.00.

7. Engineering Report. Mr. Leyendecker presented the Engineer's Report, a copy of which is attached hereto as Exhibit "E".

a. Annual Review of Emergency Water Contract with H-FBCMUD Nos. 1 and 5. This is an annual agenda item. No action was taken.

b. Annual review of Westheimer Parkway Landscape Maintenance Contract. This is an annual agenda item. No action was taken.

c. Annual review of Emergency Water Supply Contract with the City of Katy. Mr. Leyendecker stated he would contact the City regarding renewal of same. Mr. Petrov reported that a letter was sent to the City Secretary regarding same.

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.

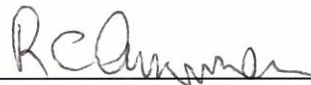
8. Old Business.

a. 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 20th day of December, 2017.

[DISTRICT SEAL]



Assistant Secretary, Board of Directors

EXHIBITS:

- A - Draft Audit Report
- B - Bookkeeper's Report
- C - Tax Assessor/Collector's Report
- D - Operations Report
- E - Engineer's Report

