

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

FEBRUARY 20, 2019

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 20, 2019, 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:

Kenneth L. Comeaux	President/Co-Tax Compliance Officer
Stephen Berckenhoff	Vice President
David A. Carp	Secretary
Rudy Ammer	Treasurer /Co-Tax Compliance Officer
Larry W. Davis	Assistant Secretary /Investment 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; David Ferrier of Equi-Tax, Inc. (the "Tax Assessor/Collector" or "Equi-Tax"), tax assessor/collector for the District; Bob Ring of Inframark (the "Operator" or "Inframark"), operator for the District; Chris Thornhill of The Thornhill Law Firm (the "DTA" or "Thornhill") delinquent tax attorney for the District; David Leyendecker, of Clay & Leyendecker, Inc., engineer for the District; Zachary A. Petrov of Johnson Petrov LLP (the "Attorney" or "JP"), attorneys for the District; Todd Carrico, a resident of the District and Jim Hardin of Hardin Realty Investments, LLC.

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. Hardin stated that he received a letter from the Fort Bend Subsidence District ("FBSD") and he is requesting the District write a letter to the FBSD confirming that the District does not provide service to his property. Mr. Carrico inquired about an update on the letter sent to the general manager of Katy Mills.

2. Approval of Minutes. The Board then considered approval of the January 16, 2019 regular meeting minutes. Upon motion by Director Carp, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the minutes.

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. Shelnutt then reviewed the current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2019.

Upon motion by Director Berckenhoff, seconded by Director Davis, 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 1406 through 1432 from the Operating Account.

4. Tax Assessor/Collector Report. The Tax Assessor/Collector's Report was presented by Mr. Ferrier, a copy of which is attached hereto as Exhibit "B".

a. Mr. Ferrier reviewed the written report and responded to questions from the Board. He reminded the Board that it was time for the Board to consider the 2019 tax exemptions. He also discussed with the Board Enstor Gas Storage Facility and recommended that the Board authorize Johnson Petrov to work with Equi-Tax in contacting the appraisal district in order to confirm the appraised value of the Gas Storage Facility.

b. The Tax Assessor/Collector's Report reflected 86.4% of the 2018 taxes had been collected as of January 31, 2019.

c. Mr. Thornhill updated the Board on recent collections and suits.

d. Next, 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 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 Davis, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board agreed to retain the same exemptions for 2019 as were approved in 2018, and to adopt an Order Determining Ad Valorem Tax Exemptions, a copy of which is attached hereto as Exhibit "B-1".

d. Next, Mr. Petrov presented and reviewed 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 Ammer, seconded by Director Davis, 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 2018 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes.

Upon motion by Director Davis, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Resolution Implementing Penalty on 2018 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached hereto as Exhibit "B-3".

Upon motion by Director Davis, seconded by Director Ammer, 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 2208 thru 2212 from the Tax Account.

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

a. Mr. Ring reviewed the current operations in the District and responded to questions from the Board.

b. Mr. Ring presented the revised Second Amendment to the Inframark contract to the Board, which included the amendments requested by the Board, a copy of which is attached hereto as Exhibit "C-1".

Upon motion by Director Davis, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Second Amendment to the Inframark contract.

c. The Board determined that no changes to the current Rate Order were deemed necessary at this time.

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.

6. Engineering Report. Mr. Leyendecker updated the Board on the Sewer Plant Expansion Project and responded to questions.

He also provided an update regarding the progress of Westheimer Parkway Project.

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 oral report.

7. New Business/Miscellaneous. The Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") Summer Conference to be held June 13-16, 2019, in Fort Worth, Texas. Upon motion by Director Berckenhoff, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance at the AWBD Summer Conference.

8. Old Business.

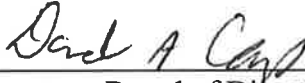
a. Status of maintenance of Katy Mills berm and Katy Mills Management District and discussions with the City of Katy. No discussion at this time.

b. Discussion of fire protection services. No discussion at this time.

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

SIGNED, PASSED and APPROVED this 20th day of March, 2019.

[DISTRICT SEAL]


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 2018 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes
- C - Operations Report
- C-1- Second Amendment to the Inframark contract