

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37
MINUTES OF MEETING OF BOARD OF DIRECTORS

MARCH 21, 2012

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, March 21, 2012, 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:

VACANT	President
Larry W. Davis	Vice President/Investment Officer
Kenneth L. Comeaux	Secretary
Stephen Berckenhoff	Treasurer
David A. Carp	Assistant Secretary

All members of the Board were present, except Director Comeaux. Also attending all or portions of the meeting were: Rudy Ammer and Gloria Gutierrez, District residents; Kim Shelnutt of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District; Kenneth Byrd of Equi-Tax, Inc. (the "Tax Assessor-Collector" or "Equi-Tax"), tax assessor-collector for the District; Joe Williams of Severn Trent Environmental Services, Inc. (the "Operator" or "ST"), operator for the District; David Leyendecker, P.E. of Clay & Leyendecker, Inc. (the "Engineer"), engineers for the District; and Regina D. Adams of Johnson Radcliffe Petrov & Bobbitt PLLC ("JRPB"), attorneys for the District.

The Vice 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. The Vice President inquired whether there was any public comment concerning the business of the District. The Board recognized Ms. Gutierrez, who inquired to ST whether there was a water pump behind her backyard, which is located at 24706 Weld Court. Mr. Leyendecker then stated there is an interconnect valve located behind such address. Ms. Gutierrez then stated that the fence around the interconnect valve is broken and needs repairing, and that there are a lot of weeds in the area which require maintenance. The Board then requested that the Operator and Engineer look into such issue. Director Carp then stated that the location will need to be inspected. Mr. Williams then stated that ST will assess the necessary repairs the week of March 26th. Mr. Ammer mentioned that the fence on the corner lot ties into the iron gate.

Ms. Gutierrez exited the meeting at this time.

2. The Board then considered approval of the February 15, 2012 regular meeting minutes and the February 28, 2012 special meeting minutes. Upon motion by Director

Berckenhoff, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

3. Director Carp then recommended that the Board appoint Mr. Ammer to fill the remainder of Director Don Poe's unexpired term of office. Upon motion by Director Carp, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board voted to appoint Mr. Ammer to serve the unexpired term of Director Poe and to accept his executed oath of office, which will be filed with the Secretary of State's office pursuant to Article XVI, Section I of the Texas Constitution, along with his bribery statement. Mr. Ammer then executed his oath of office and bribery statement.

4. The Board next considered electing officers for the Board. Upon motion by Director Carp, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board voted that the officer positions shall be as follows:

Larry W. Davis	President/Investment Officer
Kenneth L. Comeaux	Vice President
Steve Berckenhoff	Secretary
David A. Carp	Treasurer
Rudy Ammer	Assistant Secretary

5. Ms. Shelnett presented the Bookkeeper's Report and Investment Report, copies of which are collectively attached hereto as Exhibit "A".

- a. Ms. Shelnett first reviewed the written report and responded to questions from the Board.
- b. Ms. Shelnett next reviewed current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2012.
- c. A discussion ensued regarding gross receipt tax.
- d. The Board requested that Ms. Shelnett provide the electricity consumption report to the webmaster for posting on the District's website.

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 as presented, and authorized payment of checks numbered 6597 through 6617 from the Operating Account.

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

- a. Mr. Byrd reviewed the written report and responded to questions from the Board.
- b. The Tax Assessor-Collector's Report reflected that 97.5% of the 2011 taxes have been collected as of February 29, 2012.

Upon motion by Director Carp, seconded by Director Berckenhoff, 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 1864 through 1874 from the Tax Account.

Mr. Byrd exited the meeting at this time.

7. Mr. Williams then presented the Operator's Report, a copy of which is attached hereto as Exhibit "C".

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

b. Mr. Williams reported that 116.99% of the water pumped was accounted for during the previous month.

c. Mr. Williams then reported that there were no excursions at the wastewater treatment plant (the "STP").

d. Mr. Williams reported that there were 11 delinquent accounts for non-payment of water and sewer bills.

e. Mr. Williams then informed the Board that the Texas Commission on Environmental Quality (the "TCEQ") has performed the STP inspection for March and that it should pass such inspection. Mr. Williams added that the District will need to consider rehabilitation to the manhole in the near future because there is a considerable amount of inflow and infiltration.

f. Mr. Williams then noted that the District passed the TCEQ's February inspection of the Water Plant.

g. A discussion ensued regarding Allgood Construction's ("Allgood") delinquent construction water bill, and the Board requested that the Engineer contact Roy Gutierrez of Allgood regarding payment of same.

Upon motion by Director Berckenhoff, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented, and authorized termination of service to 11 delinquent accounts pursuant to the District's Rate Order.

8. The Engineer's Report was presented by Mr. Leyendecker.

a. Mr. Leyendecker reported, in connection with the construction of the aerobic digester at the STP, that construction should commence the week of March 26th.

b. Director Carp then requested that, in an effort to promote water conservation, the District amend its Drought Contingency Plan (the "DCP") to provide for voluntary water conservation for May 1st through October 1st. After discussion, the Board opted to wait to amend the DCP until it may be necessary.

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.

9. In connection with the review of the proposal for maintenance of the District's drainage and detention pond facilities from Environmental Allies ("EA"), Mr. Williams reported that he is unable to compare EA's proposal for brushhogging of the District's drainage facilities to Seaback Maintenance's ("Seaback") "finish work" mowing. Mr. Williams added that he does not recommend two (2) landscape maintenance contractors doing work in the District because EA's proposal includes maintenance of the detention pond and drainage facilities only and not maintenance of all of the District's facilities.

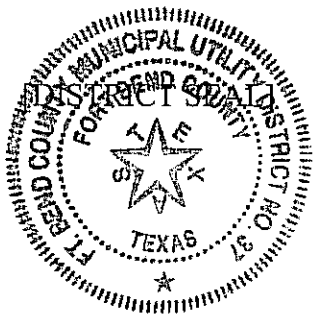
10. Director Berckenhoff then stated that he will walk the berm for inspection the weekend of March 24th. Director Ammer then stated that Mr. Poe had previously spoken to a landscape architect about surveying the berm.

11. Director Ammer then updated the Board with regard to the status of the Westheimer Parkway esplanade landscaping, and reported that such project has been completed. Director Ammer added that the Pin Oak Village Homeowners' Association (the "POVHOA") has begun maintenance of the esplanade. Director Carp then mentioned that the trees have been sold to the POVHOA for \$250 per tree. Director Ammer added that the trees have been planted in various locations in the Pin Oak Village subdivision.

12. Ms. Adams then explained that a letter had been sent to the Board regarding an adjustment to JRPB's 2012 hourly rates for legal services. Ms. Adams explained that her rate will increase from \$230 to \$250 per hour, Rita Rodriguez's rate will increase from \$130 to \$140 per hour, and Suzanne Turet's rate will increase from \$70 to \$75 per hour. Upon motion by Director Carp, seconded by Director Berckenhoff, after full discussion and the question being put to the Board, the Board voted unanimously to approve the adjustment to the 2012 hourly rates for JRPB. A copy of the letter agreement is attached hereto as Exhibit "D".

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

SIGNED, PASSED and APPROVED this the 18th day of April, 2012.




Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, including Investment Report
- B - Tax Assessor-Collector Report
- C - Operations Report
- D - JRPB 2012 Rate Schedule Letter Agreement