

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

November 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 9:00 a.m. at 1301 Misty Bend, Katy, Texas 77494, on Wednesday November 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:

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

All members of the Board were present. Also attending all or portions of the meeting were: Randy Jones of Terra Visions, LLC ("Terra"), developers; Mark Kidd, Sr. and Mark Kidd, Jr., developers; Kim Shelnett 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 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 President inquired 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. The Board then recognized Mr. Jones requested service for a 26-acre tract (the "Tract"), either through an annexation or out-of-District service. Mr. Jones explained that he has spoken to Mr. Leyendecker who explained to him that he cannot build more than 50 homes. Mr. Jones added that he anticipates the sales price to be approximately \$350,000.00 per home. Mr. Jones indicated he would like to see a defined area for his project area if the District were to annex the Tract. Mr. Jones stated that he expects his utility costs, including detention facilities, to be approximately \$1,200,000. The Board then requested that Mr. Jones provide a deposit of \$1,000.00 for the preparation of the engineering feasibility and cost study for water, sewer and drainage facilities to the Tract. Ms. Adams indicated that if the District is anticipating annexation, a financial feasibility study prepared by a qualified financial advisor will also be necessary. Upon motion by Director Ammer, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board authorized preparation of the

engineering feasibility and cost study for water, sewer and drainage facilities to the Tract, subject to receipt of the \$1,000.00 deposit from Terra.

Mr. Jones exited the meeting at this time

3. The Board then considered approval of the October 17, 2012 regular meeting minutes. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

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

a. Ms. Shelnutt first reviewed the written report and responded to questions from the Board.

b. Ms. Shelnutt next reviewed current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2013.

c. Ms. Shelnutt also reported that there will be three (3) certificates of deposit ("CDs") maturing in December. Director Davis then recommended that such CDs be put into another CDs for one (1) year.

d. Ms. Shelnutt noted that the District received payment from Westside Water, LLC for the August billing.

Upon motion by Director Comeaux, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report as presented, authorized payment of checks numbered 6787 through 6813 from the Operating Account.

5. 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 3.1% of the 2012 taxes have been collected as of October 31, 2012.

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 number 1893 from the Tax Account.

Mr. Byrd exited the meeting at this time.

6. 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 90.51% 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.

d. Mr. Williams reported that there were 12 delinquent accounts for non-payment of water and sewer bills.

e. Director Ammer then reported that the pavement at Weld Drive and Misty Bend Drive caved in, but that it is not a District matter.

Upon motion by Director Berckenhoff, seconded by Director Ammer, 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 12 delinquent accounts pursuant to the District's Rate Order.

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

a. Mr. Leyendecker reported that he has been unable to find an insured contractor to remove the waste water treatment plant digester for scrap.

b. Director Ammer then informed the Board that the access gate to the District's interconnect with the City of Katy is being fabricated.

c. Director Ammer also reported that the Pin Oak Village Homeowner's Association has inquired about whether the District has a contract with CenterPoint Energy ("CPE") regarding installation of additional streetlights. Director Ammer added that three (3) additional streetlights are needed in the subdivision. Mr. Leyendecker then stated that he will contact CPE 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 and authorize Mr. Leyendecker to contact CPE regarding additional streetlights.

8. The Board noted there was no update on the status of maintenance of the Katy Mills berm.

9. The Board then reviewed the status of the City of Katy Interconnect Agreement. Ms. Adams informed the Board that the City of Katy has informed JRPB that they will soon be providing the amended agreement to the District.

10. The Board then reviewed the Emergency Water Contract with Harris-Fort Bend County Municipal Utility Districts Nos. 1 and 5 and noted that no changes were necessary.

11. The Board then reviewed the Westhiemer Parkway Median Installation and Maintenance Agreement and noted that no changes were necessary.

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

SIGNED, PASSED and APPROVED this the 19th day of December, 2012.



Steph Berchard
Secretary, Board of Directors 12-19-2012

EXHIBITS:

- A. Bookkeeper's Report, including Investment Report
- B. Tax Assessor-Collector Report
- C. Operations Report