

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

March 20, 2013

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 20, 2013, 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:

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|---------------------|------------------------------|
| 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: Gene and Linne Atterbury and William and Marie Morillon, residents of the District; Sherri Carey of High Sierra Management, management company for Mills Pointe Homeowner's Association ("Mills Pointe HOA"); 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 and Mondre Jackson 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 discussed the status of the lateral sewer line problems affecting the properties located at 24835 Fernglen Drive and 24822 Lakebriar Drive.

Mr. Williams entered the meeting at this time.

3. Mr. Morillon stated that he has visited with the pool company that installed his pool and has provided the company with pictures of the sewer line. Mr. Morillon added that the pool company has requested samples of the plaster in the sewer line before it would be willing to look into the matter further.

Director Comeaux entered the meeting at this time.

Mr. Williams explained that plaster, not gunnite, was found in the sewer line. The Board then requested that ST provide a plaster sample to Mr. Morillon.

Mr. Attebury stated that the District needs lighting at the corner of Greenbusch Road and Ellery Drive. Mr. Leyendecker noted that the District has requested that CenterPoint Energy install a light at that location.

Mr. and Mrs. Atterbury and Mr. and Mrs. Morillon exited the meeting at this time.

4. The Board then reviewed correspondence regarding financial assistance for a walking trail from the Mills Pointe HOA (the "Mills Pointe Letter"), a copy of which is attached hereto as Exhibit "A". Ms. Carey explained that the Mills Pointe HOA is requesting financial assistance for the installation of a walking around one of the District's detention ponds, to extend the existing walking trail lighting near the District's Wastewater Treatment Plant and to install a short fence to block the view of the neighboring property. Ms. Carey noted that the Mills Pointe HOA will maintain any improvements. Discussion then ensued regarding such request and the Board asked JRPB to review the Walking Trail Facilities Maintenance Agreement between the District and Mills Pointe HOA. Director Berckenhoff then noted his interest in developing a master planned trail system.

Ms. Carey exited the meeting at this time.

5. The Board next considered approval of the February 20, 2013 regular meeting minutes. Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

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

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 ("FYE 2013 Budget").

c. Ms. Shelnutt then reported that the District has consistently been 30 days in arrears for its payment to WCA Waste Corporation ("WCA"), garbage collector for the District due to the timing of WCA's billing cycle and the District's Board meetings. Ms. Shelnutt recommended that the District make two (2) payments to bring the District current. The Board then noted that the District will be over budget for garbage expenses for the FYE 2013 Budget. Upon motion by Director Carp, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board authorized two (2) payments be made at this time to WCA.

d. Ms. Shelnutt then reported that she has corrected the North Fort Bend Water Authority's pumpage fee rate in the Bookkeeper's Report.

e. The Board then reviewed the Westside Water billing.

Upon motion by Director Carp, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report as presented, authorized payment of checks numbered 6884 through 6906 from the Operating Account.

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

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

b. The Tax Assessor-Collector's Report reflected that 97.9% of the 2012 taxes have been collected as of February 28, 2013.

c. Mr. Byrd then requested the Board's authorization to move the District's depository tax account from Prosperity Bank to Wells Fargo, N.A. ("Wells Fargo"). Mr. Byrd explained that Wells Fargo offers electronic deposit and will increase the processing of tax payments.

Upon motion by Director Ammer, seconded by Director Carp, 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 1905 through 1910 from the Tax Account.

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

a. Mr. Williams first introduced Mr. Jackson who will attend the District's Board meetings from time-to-time.

b. Mr. Jackson reviewed the written report and responded to questions from the Board.

c. Mr. Jackson reported that 90.84% of the water pumped was accounted for during the previous month.

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

e. Mr. Jackson reported that there were nine (9) delinquent accounts for non-payment of water and sewer bills.

f. Mr. Jackson then recommended that one (1) finaled account in the total amount of \$131.00, be transferred to NCO Financial Systems, Inc. ("NCO") for collection.

g. Mr. Williams reported that the fence near the STP was torn down by "mudders" and inquired about whether the District would like to have ST replace same. After discussion, the Board noted that it was not the District's fence, therefore, ST should not replace same on the District's behalf.

h. Mr. Williams then recommended televising and clearing the sewer line located near the Pin Oak Village tennis court, and that the cost for same would be less than \$20,000.00.

i. Mr. Williams reported that the repainting of the 57 flushing valves will begin soon.

Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board: 1) approved the Operator's Report, as presented; 2) authorized termination of service to nine (9) delinquent accounts pursuant to the District's Rate Order; 3) authorized sending one (1) account to NCO for collections; and 4) authorized televising and cleaning of the sanitary sewer lines near the tennis courts.

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

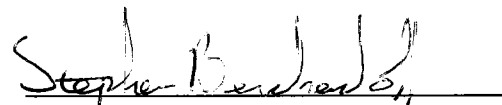
a. Mr. Leyendecker then noted that he is working with CenterPoint Energy on the installation of the additional street lights in the Pin Oak Village subdivision. Mr. Leyendecker added that because of work order back-ups at CenterPoint Energy, such project should be completed in approximately two (2) months.

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

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

SIGNED, PASSED and APPROVED this the 17th day of April, 2013.




Secretary, Board of Directors

EXHIBITS:

- A - Letter from Mills Pointe HOA regarding financial assistance for a walking trail**
- B - Bookkeeper's Report, including Investment Report**
- C - Tax Assessor-Collector Report**
- D - Operations Report**