

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

April 17, 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, April 17, 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:

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, except Director Berckenhoff. Also attending all or portions of the meeting were: Gene and Linne Atterbury, William Morillon and Gustavo Vieccho, residents of the District; John Moy of LJA Engineering, Inc.; 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; 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 Fernglan Drive and 24822 Lakebriar Drive (collectively, the "Properties"). Ms. Adams reported that the Operator was unable to obtain samples of the plaster in the sewer line as requested by Mr. Morillon's pool contractor, therefore, Ms. Adams recommended that the District not request reimbursement from the affected Property owners. Ms. Adams added that it would be too complicated and costly for the District to effectively determine liability for the sewer line problems. Ms. Adams went on to explain that JRPB has ordered title on the properties that contain the sanitary sewer line for which the District will require easements. Ms. Adams added that Ms. Kendrick is working with Mr. Leyendecker with regard to the preparation of the legal descriptions for such easements. Upon motion by Director Carp, seconded by Director Ammer, after full discussion and with all Directors present voting

aye, the Board approved the Attorney recommendation that the District not request reimbursement from the owners of the Properties for the private lateral sanitary sewer line repair.

3. Mr. Leyendecker updated the Board, with regard to the installation of four (4) street lights in the Pin Oak subdivision, and reported that CenterPoint Energy ("CPE") is moving forward with such project but that CPE is running behind on work orders. Mr. Leyendecker then recommended that a fifth (5th) light be installed at the entrance into the Mills Pointe subdivision ("Mills Pointe"). Upon motion by Director Carp, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board authorized installation of a fifth (5th) light at the entrance of the Mills Pointe.

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

4. The Board then heard a presentation from Mr. Vieccho who reviewed a proposed site plan and the Pulte Homes ("Pulte") home literature, copies of which are attached hereto as Exhibit "A". Mr. Vieccho stated that Pulte is interested in developing a 26-acre tract (the "Tract") for residential development. Mr. Vieccho explained that the lot sizes are currently estimated to be approximately 50' by 120', the homes will be 1,900 square feet to 2,500 square feet and the sales price will range from \$250,000.00 to \$300,000.00. Mr. Moy added that Pulte intends to request 100 percent (100%) reimbursement for approximately \$2,000,000.00 for construction of water, sewer and drainage facilities if it is annexed into the District. Mr. Vieccho noted that detention facilities and a lift station are included in such estimate. Upon motion by Director Ammer, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board authorized preparation of the engineering and financial feasibility studies for the Tract, subject to receipt of a deposit from the developer in the amount of \$2,500.00.

Messrs. Moy and Vieccho exited the meeting at this time.

Director Comeaux entered the meeting at this time.

5. The Board next considered approval of the March 20, 2013 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 such minutes, subject to certain corrections.

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.

c. Ms. Shelnutt then reported that several stale dated checks have been voided and the funds will be sent to the Texas Comptroller of Public Accounts as unclaimed funds.

d. Ms. Shelnutt then reported that a certificate of deposit ("CD") at Texan Bank has expired. Director Davis then requested that the CD be rolled over for one (1) year.

Upon motion by Director Comeaux, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report as presented, authorized payment of checks numbered 6907 through 6930 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 98.8% of the 2012 taxes have been collected as of March 31, 2013.

Upon motion by Director Comeaux, 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 1912 through 1914 from the Tax Account.

Mr. Byrd exited the meeting at this time.

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

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

b. Mr. Jackson reported that 88.39% of the water pumped was accounted for during the previous month. Mr. Jackson noted that some flushing numbers were not timely submitted and that the accountability will be corrected on next month's Operator's Report.

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

d. Mr. Jackson reported that there were eight (8) delinquent accounts for non-payment of water and sewer bills.

e. Mr. Jackson reported that ST has performed a "Red Flag Rules" check and noted that there are no red flag incidents to report.

f. Mr. Jackson reported that the sewer line near the Pin Oak Village tennis court was televised and infiltration was detected in five (5) locations. Mr. Jackson added that ST will have an estimate for the cost of repairs to same at the May 15th Board meeting.

Upon motion by Director Comeaux, 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 eight (8) delinquent accounts pursuant to the District's Rate Order.

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

a. A discussion ensued regarding street lights and Mr. Leyendecker inquired about whether the Board would like to see CPE's recommendations. The Board concurred that the District will add lights on an as-needed basis.

b. Mr. Leyendecker then reported that the District is awaiting proposals for the removal of the digester. Mr. Jackson reported that the digester is holding water and inquired about whether it can be pumped out. Mr. Leyendecker suggested that the water may be able to be pumped back through the lift station.

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

10. Director Ammer then reported, in connection with the maintenance of the berm, that the trees have not yet been replaced.

11. Discussion then ensued regarding the request from Mills Point Homeowners Association's request for additional lighting, amongst other things around the detention ponds. Upon motion by Director Carp, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board authorized the Engineer to investigate the cost of installation of four (4) lights near the STP to illuminate the walking trail around the detention pond.

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

SIGNED, PASSED and APPROVED this the 15th day of May, 2013.



Secretary, Board of Directors

EXHIBITS:

- A - Site plan and Pulte Homes literature
- B - Bookkeeper's Report, including Investment Report
- C - Tax Assessor-Collector Report
- D - Operations Report