

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

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

All members of the Board were present. Also attending all or portions of the meeting were: Kim Shelnett of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District; Cyndi Oliver 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 (the "Attorney" or "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 first considered approval of the June 19, 2013 regular meeting minutes. Upon motion by Director Carp, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

3. Ms. Shelnett presented the Bookkeeper's Report and Investment Report, copies of which are 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, 2013.

c. Ms. Shelnett then reviewed a proposed draft of the budget for the fiscal year ending August 31, 2014, a copy of which is attached hereto as Exhibit "B".

Upon motion by Director Ammer, 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 6969 through 6993 from the Operating Account.

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

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

b. The Tax Assessor-Collector's Report reflected that 99.2% of the 2012 taxes have been collected as of June 30, 2013.

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 number 1919 through 1923 from the Tax Account.

Ms. Oliver exited the meeting at this time.

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

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

b. Mr. Williams reported that 90.28% 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 seven (7) delinquent accounts for non-payment of water and sewer bills.

e. Mr. Williams then requested transferring one (1) account in the amount of \$16.92 to uncollectible accounts.

f. Mr. Williams reported that the repainting of the 57 flushing valves has been delayed due to weather conditions and the contractor is behind on current projects.

g. Mr. Williams then noted that the manhole near the Pin Oak Village swimming pool will be raised but all other sanitary sewer line repairs in that location have been made.

h. Director Ammer then noted that a repair was made to the manhole on Stoughton Court a while ago and it appears to need repair again. Mr. Williams stated that ST will investigate the matter. Director Ammer then inquired if the District will be charged twice since it is the same problem at the same location. Mr. Williams

informed the Board that if it is the same issue, the District will not be charged for the second repair.

Upon motion by Director Davis, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented; authorized termination of service to seven (7) delinquent accounts pursuant to the District's Rate Order; and authorized writing off one (1) uncollectible account.

6. The Engineer's Report was presented by Mr. Leyendecker.
  - a. Mr. Leyendecker presented to the Board the agreement with CenterPoint Energy for the installation of five (5) street lights, free of charge to the District (the "Agreement").
  - b. Mr. Leyendecker then stated that he has no update on the status of the digester.
  - c. Mr. Leyendecker then reviewed the facilities values and reported that he has not received a request for same from Highpoint Insurance Group LLC ("Highpoint"), the District's current insurance carrier. Ms. Adams then noted that Highpoint has indicated that the facilities values must be updated this year in order for an insurance renewal proposal to be prepared. Ms. Adams stated that she would ask Highpoint to re-send such request to Mr. Leyendecker.

Upon motion by Director Davis, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report and authorized execution of the Agreement, a copy of which is attached hereto as Exhibit "E".

7. Ms. Adams then reiterated that JRPB will request that Highpoint resend the request for facilities values to the Engineer. Upon motion by Director Berckenhoff, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board authorized the Engineer to update the values of the District's facilities for purposes of insurance renewal.

8. Mr. Leyendecker mentioned that the City of Katy plans to build wetlands and a boardwalk (the "Wetlands Project").

9. Director Ammer reported that no one has replaced Mr. Mace Hirt, formerly with Simon Properties, owner of Katy Mills Mall, and that Mr. David Pliance is the Operations Manager but that he is looking into the berm issues. Mr. Leyendecker then stated that the City may want to plant more trees along the berm in conjunction with the Wetlands Project.

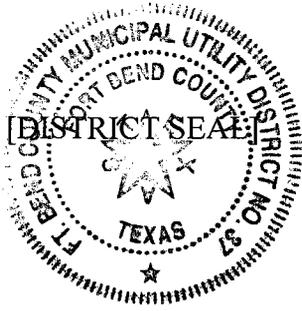
10. The Board then discussed appointing a Director to review the status of the maintenance of the berm and Director Ammer was appointed for same.

11. The Board next discussed the District's insurance renewal. Upon motion by Director Berckenhoff, seconded by Director Davis, after full discussion and with all Directors

present voting aye, the Board authorized JRPB to obtain a proposal from Highpoint, contingent upon such proposal being consistent with the 2012-2013 premium and coverage.

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

SIGNED, PASSED and APPROVED this the 21<sup>st</sup> day of August, 2013.



*Paul A. Corp*  
Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, including Investment Report
- B - Draft budget for the fiscal year ending August 31, 2014
- C - Tax Assessor-Collector Report
- D - Operations Report
- E - Agreement with Center Point Energy for installation of street lights