

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

APRIL 20, 2011

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 20, 2011, 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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|---------------------|------------------------------|
| David A. Carp | President |
| Don Poe | Vice President |
| Larry W. Davis | Secretary/Investment Officer |
| Kenneth L. Comeaux | Treasurer |
| Stephen Berckenhoff | Assistant Secretary |

All members of the Board were present. Also attending all or portions of the meeting were: Rudy Ammer, District resident; 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 (the "Attorney"), 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 March 16, 2011 regular meeting minutes. Upon motion by Director Poe, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the minutes, subject to certain corrections.

3. 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, 2011.

c. Ms. Shelnutt then reported that the certificate of deposit (the "CD") at Texas Capital Bank will mature on May 2nd. Director Davis stated that the CD should be moved to Green Bank upon maturity for 180 days.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report and Investment Report as presented, and authorized payment of checks numbered 6353 through 6376 from the Operating Account.

4. 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 98% of the 2010 taxes have been collected as of March 31, 2011.

c. Mr. Byrd then reported that the District's take roll has been certified at \$162,228,580.

Mr. Leyendecker entered the meeting at this time.

Upon motion by Director Poe, seconded by Director Davis, 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 checks numbered 1830 to 1833 from the Tax Account.

Mr. Byrd exited the meeting at this time.

5. 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 91.77% 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 ten (10) delinquent accounts for non-payment of water and sewer bills.

e. Directors Carp and Poe inquired about certain repairs in the District.

Upon motion by Director Poe, seconded by Director Davis, 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 ten (10) delinquent accounts pursuant to the District's Rate Order.

6. The Engineer's Report was presented by Mr. Leyendecker.
 - a. Mr. Leyendecker then reported that he has provided to Ms. Adams the plans and deed records for preparation of sanitary sewer easement documents from Compass Land Development on behalf of Jim Hardin of Hardin Realty Investments, LLC, a property owner seeking water and sewer service from the District.
 - b. Mr. Leyendecker then updated the Board on area development.
 - c. The Board tabled further review and discussion regarding the District's Emergency Preparedness Plan.
 - d. Mr. Leyendecker then requested authorization to advertise for bids for the digester at the District's Water Plant and noted that bid openings will occur in June.
 - e. Mr. Leyendecker then reported that he has not heard from Michael Walton.

Upon motion by Director Poe, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report and authorized the Engineer to advertise for bids for the digester at the District's Water Plant.

7. The Board then discussed the proposed Rate Order amendments to reflect a new class of consumer and add Public Space Irrigation water rates. Upon motion by Director Poe, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Rate Order amendments, effective May 1, 2011, a copy of which is attached hereto as Exhibit "D".

8. The Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") Summer Conference to be held June 9-11, 2011, in Fort Worth, Texas. Upon motion by Director Poe, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance at the AWBD Summer Conference.

9. Ms. Adams then presented a First Amendment to Residential Solid Waste Hauling Contract (the "Contract") between the District and Waste Corporation of Texas, L.P. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board authorized execution of the Contract, a copy of which is attached as Exhibit "E".

10. Director Poe then reported that he and Mr. Leyendecker will need to perform a dead tree count at the berm. Director Poe also stated his concerns regarding the effect the drought has on the berm, as well as people loitering on same.

11. Director Berckenhoff then reported that the District's website is operational.

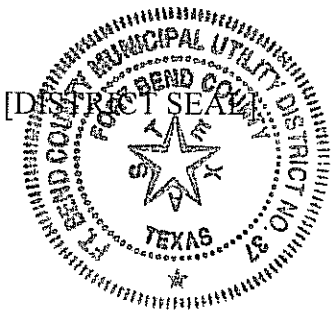
12. Ms. Adams then updated the Board with regard to the agreement for the esplanade landscaping on Westheimer Parkway and her discussions with Fort Bend County Commissioner Andy Meyers regarding same. Upon motion by Director Poe, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board authorized the Attorney to prepare the esplanade landscaping agreement.

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

SIGNED, PASSED and APPROVED this the 18th day of May, 2011.



Secretary, Board of Directors



EXHIBITS:

- A - Bookkeeper's Report, including Investment Report
- B - Tax Assessor-Collector Report
- C - Operations Report
- D - Amended Rate Order, Effective May 1, 2011
- E - First Amendment to Residential Solid Waste Hauling Contract