

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

MAY 18, 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, May 18, 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:

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 and John Cassidy, District residents; 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 April 20, 2011 regular meeting minutes. Upon motion by Director Poe, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the minutes, subject to certain corrections.

3. The Board next considered electing officers for the Board. Upon motion by Director Davis, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board voted that the officer positions shall be as follows:

Don Poe	President
Larry W. Davis	Vice President/Investment Officer
Kenneth L. Comeaux	Secretary
Steve Berckenhoff	Treasurer
David A. Carp	Assistant Secretary

4. Ms. Shelnutt presented the Bookkeeper's Report and Investment Report, copies of which are collectively 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, 2011.

c. Ms. Shelnutt then reported that one (1) certificate of deposit (the "CD") at Enterprise Bank will be rolled over for 180 days and that a second CD will be rolled over for one (1) year upon maturity. Ms. Shelnutt added that a third CD will be rolled to Third Coast Bank upon maturity for 180 days.

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 and Investment Report as presented, and authorized payment of checks numbered 6377 through 6397 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 98.3% of the 2010 taxes have been collected as of April 30, 2011.

c. Mr. Byrd then reported that delinquent tax statements will be sent out at the end of May.

Upon motion by Director Davis, 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 checks numbered 1834 to 1837 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 91.58% 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 (the "STP").

d. Mr. Williams reported that there were 11 delinquent accounts for non-payment of water and sewer bills.

e. Mr. Williams then informed the Board that Mills Pointe Homeowners Association (the "HOA") has not submitted a payment for April or May to the District. The Board then requested that the District's Attorney prepare and send a second letter regarding the HOA's delinquent amounts due to the District.

f. Mr. Williams distributed the 2010 Drinking Water Quality Report/Consumer Confidence Report (the "CCR") for the Board and Ms. Adams' review, a copy of which is attached hereto as Exhibit "D". Mr. Williams stated that the District's water meets all requirements. After discussion, the Board asked that information about the CCR be posted on the District's website.

Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report as presented, authorized termination of service to 11 delinquent accounts pursuant to the District's Rate Order, and approved the CCR and authorized distribution of same.

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

a. Mr. Leyendecker then reported that the digester will be bid in June in accordance with the current sizing of the STP, and asked the Board if it wants to oversize the capacity to account for a possible increase in size to the STP. A discussion then ensued regarding same, and the Board requested that the Engineer oversize the design of the digester and bid the oversizing as an alternative option.

b. Mr. Leyendecker then reviewed the Drought Contingency Plan and recommended no changes.

Upon motion by Director Carp, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report and approved the Resolution Adopting An Amended Drought Contingency Plan, a copy of which is attached hereto as Exhibit "E".

8. Mr. Leyendecker then reviewed with the Board a draft of the Emergency Response Plan (the "ERP") and the Emergency Preparedness Plan (the "EPP"). The Board then concurred that the ERP did not require further revisions. Mr. Leyendecker then stated that, with regard to the EPP, he will be providing the Attorney with an itemized list of documents to complete same.

9. Mr. Leyendecker then informed the Board that a Salt Lick BBQ is being constructed along Pin Oak Road and that the Chic-Fil-A restaurant is still under development.

10. Mr. Leyendecker next reported that Michael Walton has paid his capital payments, but did not advance funds for the digester project. Mr. Leyendecker stated that he will contact Mr. Walton regarding the capital costs for the digester.

11. Director Poe then reported that the berm and the dripirrigation system thereon are not being maintained. Director Poe also noted that a dead 18-foot (18') pine tree was recently cut down. The Board then discussed taking over maintenance of the berm, and the Board agreed to discuss such matter further after the landscape warranty period ends in June.

12. Ms. Adams then updated the Board with regard to her discussions with Fort Bend County Precinct No. 3 Commissioner Andy Meyers regarding the agreement for the median landscaping along Westheimer Parkway within the District.

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

SIGNED, PASSED and APPROVED this the 15<sup>th</sup> day of June, 2011.



  
Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, including Investment Report
- B - Tax Assessor-Collector Report
- C - Operations Report
- D - 2010 Drinking Water Quality Report
- E - Resolution Adopting an Amended Drought Contingency Plan