

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

FEBRUARY 15, 2012

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, February 15, 2012, 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:

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

All members of the Board were present, except Director Poe. Also attending all or portions of the meeting were: Rudy Ammer, District resident; Cherie Hyatt Cross of Environmental Allies; 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 Vice 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 Vice President inquired whether there was any public comment concerning the business of the District. There being no public comment, the Vice President directed the Board to proceed with the agenda.

2. Ms. Cross then presented a proposal for the maintenance of the detention pond for the Board's review, a copy of which is attached hereto as Exhibit "A". The Board then discussed Environmental Allies quote of \$1,806.00 for annual maintenance, and Director Berckenhoff requested that Mr. Williams compare such proposal to what Seaback Maintenance charges the District.

Ms. Cross exited the meeting at this time.

3. The Board then considered approval of the January 18, 2012 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, subject to certain corrections.

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

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

b. Ms. Shelnut next reviewed current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2012.

c. Director Berckenhoff then noted that he is requesting reimbursement for the Association Water Board Directors – Texas Mid Winter Conference hotel expenses for Thursday and Friday nights, instead of Friday and Saturday nights.

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 as presented, and authorized payment of checks numbered 6577 through 6596 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 "C".

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

b. The Tax Assessor-Collector's Report reflected that 61.1% of the 2011 taxes have been collected as of January 31, 2012.

c. Mr. Byrd also reported that 97% of the 2011 taxes have been collected to date.

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 numbers 1859 through 1863 from the Tax Account.

6. Ms. Adams then reviewed the Resolution Implementing Penalty on 2011 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes with the Board. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Resolution Implementing Penalty on 2011 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes, a copy of which is attached hereto as Exhibit "D".

7. The Board next considered approval of tax exemptions for the 2012 tax year, including homestead exemptions, exemptions for residents 65 years of age and older, and exemptions for disabled residents. Ms. Adams reported that, in 2011, the Board granted a homestead exemption of 20% of the appraised value or \$5,000, whichever is greater; a \$10,000 exemption for disabled persons and for persons 65 years of age or older; an exemption for travel trailers with certain size restrictions; and exemptions for certain real and personal property

owned by qualified charitable organizations. Upon motion by Director Carp, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board agreed to retain the same exemptions for 2012 as were approved in 2011, and to adopt an Order Determining Ad Valorem Tax Exemptions, a copy of which is attached hereto as Exhibit "E".

8. Ms. Adams next presented a Resolution Authorizing Petition Challenging Appraisal Records for the Tax Assessor-Collector to represent the District in filing a protest with the Fort Bend Central Appraisal District ("FBCAD"), a copy of which is attached as Exhibit "F". Ms. Adams noted that this will allow Equi-Tax to represent the District in matters before FBCAD. Upon motion by Director Carp, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved the Resolution Authorizing Petition Challenging Appraisal Records as presented.

Mr. Byrd exited the meeting at this time.

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

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

b. Mr. Williams reported that 91.84% 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 seven (7) delinquent accounts for non-payment of water and sewer bills.

e. Mr. Williams then informed the Board that the North Fort Bend Water Authority water audit has been prepared and will be submitted. Director Berckenhoff then stated that he would like to verify the water pumpage report for the previous month.

f. Mr. Williams then informed the Board that Mills Pointe Homeowners Association has paid its past due balance in full.

g. Mr. Williams then reported that there was a break-in at ST's office in the payment area and that checks related to another water district were stolen from the lockbox, however, all funds have been accounted for. Mr. Williams went on to report that such incident will be reflected in ST's red flag report.

Upon motion by Director Carp, seconded by Director Berckenhoff, 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 seven (7) delinquent accounts pursuant to the District's Rate Order.

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

a. Mr. Leyendecker reported, in connection with the construction of the aerobic digester at the STP, that Mr. Williams met with the R+B Group, Inc., the contractor for the construction project, for a site visit, and that they are awaiting dry weather to begin construction.

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

11. Status of the maintenance of the Katy Mills berm was tabled until the March 21st Board meeting.

12. Director Carp then updated the Board with regard to the status of the Westheimer Parkway esplanade landscaping, and reported that the trees have been received and they are waiting for the ground to dry out to complete the sprinkler system, but that the planting should be completed by March 5th.

13. The Board then tabled approval of proposed adjustment to 2012 hourly rates for legal services.

14. The Board next discussed the May 12, 2012 Directors Election (the "Election"). The Attorney presented an Order Calling Directors Election for the Board's review and approval. Ms. Adams informed the Board that she was recently informed by Fort Bend County (the "County") that the County could not hold a Joint Election with the District, but that it could hold a Joint Election with Katy Independent School District ("Katy ISD"). However, she was just informed that Katy ISD's deadline for notification of a request to conduct a joint election was in December 2011; therefore she recommends the District conduct its own Election. The Board then concurred that early voting and the Election Day polling location will be at the Pin Oak Clubhouse. The Board also discussed the potential for Ms. Katherine Ammer to be the Election Judge for the District. Upon motion by Director Carp, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Order Calling Directors Election as presented, a copy of which is attached hereto as Exhibit "H".

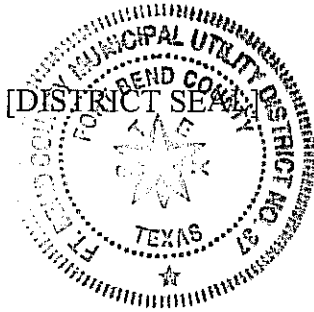
15. The Board then discussed the possible canvassing date for the Election. Upon motion by Director Carp, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board determined that the canvassing meeting will occur on Wednesday, May 23, 2012 at 7:00 p.m.


16. Ms. Adams then discussed appointment of a designated agent for the Election, and recommended that the District appoint Johnson Radcliffe. Upon motion by Director Carp,

seconded by Director Berkenhoff, after full discussion and with all Directors present voting aye, the Board voted unanimously to appoint Johnson Radcliffe as its designated agent for the Election.

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

SIGNED, PASSED and APPROVED this the 21st day of March, 2012.




Secretary, Board of Directors

EXHIBITS:

- A - Proposal from Environmental Allies for maintenance of District's detention pond
- B - Bookkeeper's Report, including Investment Report
- C - Tax Assessor-Collector Report
- D - Resolution Implementing Penalty on 2011 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes
- E - Order Determining Ad Valorem Tax Exemptions
- F - Resolution Authorizing Petition Challenging Appraisal Records
- G - Operations Report
- H - Order Calling Directors Election