

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

APRIL 18, 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, April 18, 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:

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

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; 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 ("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 then considered approval of the March 21, 2012 regular meeting minutes. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

3. The Tax Assessor-Collector's Report was presented by Mr. Byrd, a copy of which is attached hereto as Exhibit "A".

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

b. The Tax Assessor-Collector's Report reflected that 98.2% of the 2011 taxes have been collected as of March 31, 2012.

c. Mr. Byrd then reported that delinquent statements were mailed at the end of February and will again be mailed at the end of May.

Upon motion by Director Carp, seconded by Director Berkenhoff, 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 1875 from the Tax Account.

4. The Board then reviewed and discussed renewal of the Delinquent Tax Collection Agreement with Mahoney & Associates, the District's Delinquent Tax Attorney. Upon motion by Director Carp, seconded by Director Berkenhoff, after full discussion and with all Directors present voting aye, the Board approved the Delinquent Tax Collection Agreement, effective July 1, 2012, a copy of which is attached as Exhibit "B".

Mr. Byrd exited the meeting at this time.

5. Ms. Shelnett presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "C".

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, 2012.

c. Director Carp then updated the Board regarding the annexation of the 10.044 acres located at Katy Flewellen Road and Greenbusch Road by Ormiston Family Properties LLC, and reported that Ms. Natalie Ormiston has contacted him to inquire about the status of same. Director Carp went on to explain that he familiarized himself with the various requests by the District for the payment of the remainder of the deposit for the annexation costs to Ms. Ormiston's attorney. The Board then requested that JRPB prepare and send another letter to the Ormistons' attorney regarding Director Carp's conversation with Ms. Ormiston.

Upon motion by Director Carp, seconded by Director Berkenhoff, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report as presented, authorized payment of checks numbered 6618 through 6638 from the Operating Account and authorized JRPB to prepare and send a letter to the Ormistons' attorney regarding Director Carp's conversation with Ms. Ormiston.

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

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

b. Mr. Williams reported that 93.09% 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 reviewed with the Board photographs of the City of Katy's interconnect meter location on Weld Court, a copy of which is attached hereto as Exhibit "E". Mr. Williams reminded the Board that the homeowner has informed the District that the area around the interconnect meter has overgrown scrub trees and the fence is missing an interior picket. A discussion then ensued regarding the water line easement and access easement through the homeowner's yard. The Board then requested that the Engineer review the survey and provide same to Ms. Adams, and also requested that ST clear the overgrown scrub trees and replace the fence picket.

f. Mr. Williams then reviewed with the Board photographs of the repairs at the District's Water Plant, a copy of which is attached here to as Exhibit "F". The Board then requested that ST clean the brush near the drainage channel along the fence and the Engineer determine ownership of the access road.

Upon motion by Director Carp, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented, and authorized: 1) termination of service to seven (7) delinquent accounts pursuant to the District's Rate Order; 2) the interconnect meter easement to be cleared and replace the fence picket until the ownership and maintenance responsibility can be determined; and 3) the Operator to obtain pricing on Water Plant maintenance items.

7. 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 (the "Digester Project"), that construction is still in progress.

b. Mr. Leyendecker then presented Pay Estimate No. 1 in the amount of \$35,658.00 from R+B Group, Inc. ("R+B Group"), the contractor for the Digester Project. Mr. Leyendecker then recommended payment for such pay estimate.

c. A discussion then ensued regarding salvage of the old digester, and the Board requested that the Engineer obtain proposals for same.

d. Mr. Leyendecker then requested the Board's authorization to begin preparation of the wastewater permit renewal application, and noted that he and the Operator have begun the preliminary work for same.

Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board: 1) approved the Engineer's Report; 2) approved Pay Estimate No. 1 in the amount of \$35,658.00 to R+B Group in

connection with the Digester Project; and 3) authorized preparation of the wastewater permit renewal application.

8. Director Carp then requested that Mr. Leyendecker ask the contact for the gas storage facility to attend the May 16th Board meeting.

9. Director Berckenhoff then reported that he walked the berm on April 17th and it appears as though it had been recently mowed, and that there were 37 dead pine trees, 17 dead oak trees and four (4) dead willow trees. Director Berckenhoff added that the berm still has good coverage, but the dead trees need to be removed.

Director Ammer then stated that he spoke to Junction Landscaping ("Junction"), who planted trees for Katy Mills Mall, and that Junction will be meeting with Mace Hirt of Simon Properties, owner of Katy Mills Mall, regarding maintenance.

Director Berckenhoff also reported that a fire pit was found in the ditch behind 1503 Breezy Bend, which is impeding the flow of water. Director Ammer stated that he will have the Pin Oak Village Homeowners' Association send the homeowner a letter regarding same.

Director Berckenhoff then stated that he will provide JRPB with a memorandum regarding the status of the berm, and the Board requested that JRPB prepare a letter to Katy Mills Mall, as may be necessary.

10. The Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") Summer Conference to be held July 19-21, in San Antonio, Texas. Upon motion by Director Berckenhoff, seconded by Director Comeaux, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance at the AWBD Summer Conference.

11. A discussion ensued regarding the status of the May 12, 2012 Directors Elections. Ms. Adams noted that election official training was held on April 14th at JRPB's offices.

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

SIGNED, PASSED and APPROVED this the 16th day of May, 2012.



Stephen Berckenhoff
Secretary, Board of Directors

EXHIBITS:

- A - Tax Assessor-Collector Report
- B - Delinquent Tax Collection Agreement
- C - Bookkeeper's Report, including Investment Report
- D - Operations Report
- E - Photographs of City of Katy interconnect meter on Weld Court
- F - Photographs of the repairs at the District's Water Plant