

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

November 16, 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, November 16, 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:

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. Also attending all or portions of the meeting were: Parke Patterson, developer of the 30-acre tract adjacent to the District; Rudy Ammer, District resident; Gary Stovall of Landscape Concepts; 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 ("Johnson Radcliffe"), 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. The Board first recognized Mr. Patterson, who is performing due diligence on an approximately 30-acre tract (the "Tract") for single-family development proposed to contain 60 lots with homes in the price range of \$250,000 to \$300,000. Mr. Patterson reviewed with the Board photographs of the Tract, copies of which are attached hereto as Exhibit "A". Mr. Patterson then requested the District consider annexation of the Tract and that the District consider preparing a feasibility for same. Mr. Patterson then stated that approximately ten (10) acres would be designated for floodway in the back.

Mr. Patterson exited the meeting at this time.

2. Next, the Board recognized Ms. Cross, who stated that she met with the Engineer and Operator to discuss the specifications for the drainage/detention areas for preparation of the proposal to maintain those areas for the District.

3. The Board then considered approval of the October 19, 2011 regular meeting minutes. Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved such minutes as presented.

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

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. Ms. Shelnett added that the Bookkeeper's Report also includes a check to L.C. Interests, Inc. dba Landscape Concepts in the amount of \$49,900.00 for materials for the medians on Westheimer Parkway.

d. Ms. Shelnett also reported that one (1) certificate of deposit at Third Coast Bank will be maturing.

Upon motion by Director Davis, seconded by Director Carp, 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 6509 through 6528 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 1.7% of the 2011 taxes have been collected as of October 31, 2011.

c. Mr. Byrd reported that that the 2011 tax bills have been mailed and the above percentage is what has been collected thus far.

Upon motion by Director Comeaux, 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 check numbers 1850 through 1852 from the Tax Account.

6. Ms. Adams then reported that Senate Bill 1, enacted in the special session by the 82nd Legislature, requires that in order for a taxing jurisdiction to tax or continue to tax goods-in-transit, a taxing jurisdiction must take official action to tax such goods. Ms. Adams stated that the taxing jurisdiction is required to conduct a public hearing. Director Poe called the goods-in-

transit taxation public hearing to order. It was noted that no members of the public commented on the matter and the hearing was adjourned.

7. Ms. Adams then presented the Second Resolution to Tax Tangible Personal Property in Transit Which Would Otherwise Be Exempt Pursuant to Texas Tax Code, Section 11.253 (the "Second Goods In Transit Resolution") for the Board's adoption. Upon motion by Director Berckenhoff, seconded by Director Comeaux, and after full discussion with all Directors present voting aye, the Board adopted the Second Goods in Transit Resolution, a copy of which is attached hereto as Exhibit "D".

Messrs. Byrd and Stovall exited the meeting at this time.

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

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

b. Mr. Williams reported that 90.22% 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 ten (10) delinquent accounts for non-payment of water and sewer bills.

e. Mr. Williams then reported to the Board that Mills Pointe Homeowners Association has submitted payment in the amount of \$1,218.85.

Upon motion by Director Carp, 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.

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

a. Mr. Leyendecker reported that R + B Group, Inc. ("R + B Group") is working on the shop drawings for the construction of the aerobic digester for the STP (the "Digester Project"). Mr. Leyendecker then noted that the Digester Project is scheduled to begin in early January 2012, and should be completed by early Spring 2012. Mr. Williams then inquired whether it was appropriate to provide R + B Group with a key to the STP. The Board stated that they did not see a problem with providing them with same. Mr. Leyendecker then suggested utilizing a combination lock for R + B Group's access to the STP. The Board concurred.

b. Mr. Leyendecker then updated the Board with regard to ongoing development projects near the District.

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

10. Ms. Adams then reviewed with the Board the Water Supply and Interconnect Contract by and between the District and the City of Katy, Texas, and the Interim Water Supply Contract by and among the District and Harris-Fort Bend Counties No. 1 and Harris-Fort Bend Counties No. 5. Discussion then ensued regarding the agreements, and the Board concurred that no changes were necessary to such agreements.

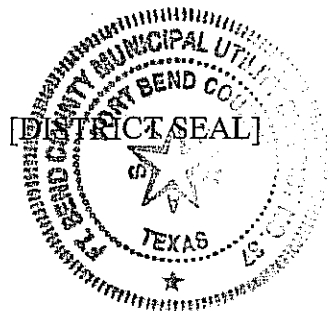
11. Ms. Adams reported that Senate Bill 18, enacted by the 82nd Legislature, requires all public and private entities authorized to exercise the power of eminent domain in Texas to submit a letter to the Texas Comptroller of Public Accounts detailing their legal authority to exercise the power of eminent domain. Upon motion by Director Carp, seconded by Director Berckenhoff, and after full discussion with all Directors present voting aye, the Board authorized Johnson Radcliffe to submit the necessary documentation to the Texas Comptroller of Public Accounts.

12. Ms. Adams reported that Fort Bend County Appraisal District ("FBCAD") has distributed a form of resolution to conservation and reclamation districts and a certification of ballot for the districts to participate in the election of a person to the Board of Directors of FBCAD to represent the interests of utility districts. Ms. Adams then briefly reviewed the slate of names on the ballot. Upon motion by Director Berckenhoff, seconded by Director Carp, and after full discussion with all Directors present voting aye, the Board voted unanimously to authorize Mr. Byrd to serve as proxy on behalf of the District to cast its ballot for the Election of a Person to the Board of Directors of FBCAD.

13. The President inquired whether there was any further public comment concerning the business of the District. The Board then recognized Mr. Ammer, who stated that the Pin Oak Village Homeowners' Association held a referendum election at its last meeting regarding acquisition of a loan to erect a fence and the decision to sell property, both of which passed.

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

SIGNED, PASSED and APPROVED this the 21st day of December, 2011.




Secretary, Board of Directors

EXHIBITS:

- A - Photographs of 30-acre Tract
- B - Bookkeeper's Report, including Investment Report
- C - Tax Assessor-Collector Report
- D - Second Resolution to Tax Tangible Personal Property in Transit Which Would Otherwise Be Exempt Pursuant to Texas Tax Code, Section 11.253
- E - Operations Report