

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

April 16, 2014

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 16, 2014, 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:

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

All members of the Board were present, except Director Carp, thus constituting a quorum. Also attending all or portions of the meeting were: John Cassidy, a resident of the District; Kim Shelnett of Myrtle Cruz, Inc. (the "Bookkeeper"), bookkeeper for the District; Ken 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" or "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 comments, the President directed the Board to proceed with the agenda.

2. The Board then considered approval of the March 19, 2014 regular meeting minutes. Upon motion by Director Berckenhoff, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

3. Ms. Shelnett presented the Bookkeeper's Report and Investment Report, copies of which are 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, 2014.

Upon motion by Director Davis, seconded by Director Berckenhoff, 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 7178 through 7198 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 94.4% of the 2013 taxes have been collected as of March 31, 2014.

Upon motion by Director Berckenhoff, 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 1943 through 1946 from the Tax Account.

Mr. Byrd exited the meeting at this time.

5. Mr. Williams then presented the Operation's Report, a copy of which is attached hereto as Exhibit "C".

- a) Mr. Williams reviewed the written report and responded to questions from the Board.
- b) Mr. Williams reported that 91.24% 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 two (2) delinquent accounts for non-payment of water and sewer bills.
- e) Mr. Williams presented a memorandum regarding the Annual Operator's Report on Identity Theft, a copy of which is attached to the Operator's Report.
- f) Director Berckenhoff inquired about the fencing around the sinkhole near the clubhouse pool. A discussion ensued regarding a nearby ground depression that is consistently wet and may be due to a Homeowner Association sprinkler system leak.
- g) Mr. Williams reported that the District's water tank inspection is scheduled for the beginning of June. A discussion ensued regarding the timing to take the water well offline to perform the necessary water tank inspection.
- h) Mr. Williams presented to and reviewed with the Board 'Frequently Asked Questions', the new water bill layout in connection with the proposed conversion of the

District's water billing system, the letters to cancel the BBVA Compass Bank lockbox, and the Addendum for the new payment services with AVR Processors, copies of which are attached hereto as Exhibit "D". Mr. Williams reported that ST is proposing to improve the District's billing system by switching the current billing software to AVR, Inc., which will provide customers with more payment options.

Upon motion by Director Ammer, seconded by Director Davis, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented; authorized termination of service to two (2) delinquent accounts pursuant to the District's Rate Order; authorized execution of the necessary documents to cancel the current BBVA Compass Bank lockbox; and approved and authorized execution of the Addendum to the Card Services Agreement with AVR, Inc.

6. Mr. Leyendecker then presented the Engineering Report. The Engineer reported that H₂O Contracting ("H₂O") is in the process of removing the STP digester.

The Engineer then reported that Center Point Energy is now installing the street lighting the District requested in the Pin Oak Village and Mills Pointe subdivisions.

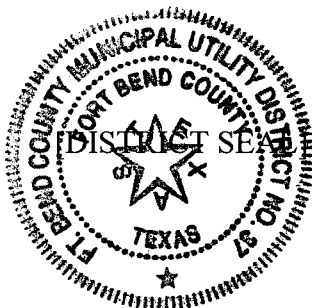
Upon motion by Director Davis, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report, as presented.

7. Director Ammer reported that he contacted Don Massey regarding the maintenance of the Katy Mills berm, but has not yet received a return phone call. The Engineer stated that he will also contact Mr. Massey.

8. The Board next discussed the May 10, 2014 Directors Election (the "Election") with the Board. Ms. Adams reported that she conducted the election official training prior to the Board meeting.

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

SIGNED, PASSED and APPROVED this 21st day of May, 2014.



Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, including Investment Report
- B - Tax Assessor/Collector's Report
- C - Operations Report
- D - FAQ's, Billing Layout, and Addendum from AVR, Inc.