

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

October 17, 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 October 17, 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/Investment Officer
Kenneth L. Comeaux	Vice President
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: William Steer, District resident; Sandy Colquitt of the Pin Oak Village Homeowner's Association (the "HOA"), Kim Shelnuitt 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. The Board recognized Ms. Colquitt who explained that Ormiston Family Properties LLC ("Ormiston") will not grant the HOA a temporary construction and access easement on its property in order to install the fence surrounding the Pin Oak Village subdivision.

Director Comeaux entered the meeting at this time.

Ms. Colquitt then requested that the District intervene and force Ormiston to grant the HOA such easement.

Ms. Adams explained that the annexation of Ormiston's 10.044 acres located at Katy Flewellen Road and Greenbusch Road was completed many months ago, however the District has not received a request for water and wastewater service. Director Berckenhoff added that Ormiston is not yet interested in obtaining service as this time. Ms. Adams added that the District cannot legally intervene in this issue. Director Davis then inquired if the District could request an Ormiston representative to attend the District's next Board meeting. Ms. Adams

responded affirmatively and added that the District will still not be able to require Ormiston to perform any action regarding this matter. Extensive discussion then ensued regarding communication with Ormiston regarding such issue and Ms. Colquitt explained that neither Ormiston nor its attorney will speak with the HOA.

Director Ammer abstained from participation in this discussion.

2. The Board then considered approval of the September 19, 2012 regular meeting minutes. Upon motion by Director Berckenhoff, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved such minutes, as presented.

Mr. Steer entered the meeting at this time.

3. The President inquired whether there was any additional public comment concerning the business of the District. The Board then recognized Mr. Steer who stated that, in connection with the Ormiston easement matter, he is willing to allow the fence contractor to enter his property, which is adjacent to Ormiston's, to complete the project.

Mr. Steer and Ms. Colquitt exited the meeting at this time.

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

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

b. Ms. Shelnuttt next reviewed current and year-to-date revenue and expenditures against the District's budget for the fiscal year ending August 31, 2013.

c. Discussion next ensued regarding landscape maintenance budget expense which was higher than usual. Mr. Williams explained that the landscape maintenance billing was cumulative and not received timely by the landscape maintenance provider.

Upon motion by Director Carp, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report as presented, authorized payment of checks numbered 6767 through 6786 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 99.7% of the 2011 taxes have been collected as of September 30, 2012.

Upon motion by Director Comeaux, 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 1891 through 1892 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 90.65% 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.

d. Mr. Williams reported that there were eight (8) delinquent accounts for non-payment of water and sewer bills.

e. Mr. Williams informed the Board that there are some problems with the Westside Water, LLC water meter, and that the compound meter is currently reading at low and high flow adjustments, which was the cause for the District's accountability to be at 90.65% for the previous month. Mr. Williams explained that the cost to repair same is approximately \$9,200.00. Mr. Williams also reported that a two inch (2") tap needs to be installed upstream and downstream in order to replace the meter without water service interruption, and that the meter should be repaired. Mr. Leyendecker then stated that, also in his opinion, the meter only needs to be repaired.

Upon motion by Director Comeaux, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board: 1) approved the Operator's Report, as presented; and 2) authorized termination of service to eight (8) delinquent accounts pursuant to the District's Rate Order.

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

a. Mr. Leyendecker reminded the Board that the second notice of the TPDES renewal notice has been published.

b. Mr. Leyendecker then reviewed the draft of the District's Water Conservation Plan (the "WCP"), a copy of which is attached hereto as Exhibit "D". A discussion then ensued regarding revisions to the WCP and the Board requested that the attorney make such revisions.

Upon motion by Director Berckenhoff, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the Engineer's Report and adopted the Resolution Adopting the Water Conservation Plan, subject to Attorney's revisions.

8. The Board noted there was no update on the status of maintenance of the Katy Mills berm.

9. Director Ammer noted that the HOA is still working on the fence installation project as previously discussed and that the HOA will be obtaining quotes for the gate to the District's interconnect with the City of Katy on October 18th. Director Ammer added that the gate should be completed by October 31st.

10. Ms. Adams then stated that it is the standard practice of the Board to perform an annual review of the consultants' contracts. The Board then discussed the status of the consultants and determined that all of the consultants are performing satisfactorily.

11. The Board then considered attendance at the Association of Water Board Directors – Texas (the "AWBD") Mid-Winter Conference to be held January 25-26, 2012, in Austin, Texas. Upon motion by Director Comeaux, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board authorized the Directors' attendance to the AWBD Mid-Winter Conference.

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

SIGNED, PASSED and APPROVED this the 20th day of November, 2012.



Stephen Berckenhoff
Secretary, Board of Directors

11-21-2012

EXHIBITS:

- A. Bookkeeper's Report, including Investment Report
- B. Tax Assessor-Collector Report
- C. Operations Report
- D. Draft Water Conservation Plan