

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

May 15, 2013

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, May 15, 2013, 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: Sherri Carey of High Sierra Management, management company for Mills Pointe Homeowner's Association ("Mills Pointe HOA"); 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; Mondre Jackson 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. The Board recognized Ms. Carey who, on behalf of Mills Pointe HOA, submitted an electronic mail correspondence regarding a request to the District for additional fencing near the detention pond, a copy of which is attached hereto as Exhibit "A". Ms. Carey alleged that there has been a recent increase in crime in the neighborhood for which the residents have police reports. Ms. Carey added that the Mills Pointe HOA believes the criminal activity is an important issue for the District's residents. The Board then requested copies of police reports evidencing same. A discussion then ensued regarding Mills Pointe HOA providing additional security services and the Board's concern that constructing a fence will afford the criminals additional privacy.

Ms. Sherri Carey exited the meeting at this time.

2. The Board next considered approval of the April 17, 2013 regular meeting minutes. Upon motion by Director Comeaux, seconded by Director Carp, after full discussion

4. The Board next considered electing officers for the Board. Upon motion by Director Carp, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board voted that the officer positions shall be as follows:

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

5. Ms. Shelnett presented the Bookkeeper's Report and Investment Report, copies of which are 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, 2013.

c. Ms. Shelnett then reported that a certificate of deposit ("CD") at Texan Bank has expired. Director Davis then recommended moving such CD to Third Coast Bank.

Upon motion by Director Davis, 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 6931 through 6949 from the Operating Account.

6. 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 99% of the 2012 taxes have been collected as of April 30, 2013.

c. Mr. Byrd then informed the Board that Equi-Tax will be switching to Official Payments Corporation ("Official Payments") for credit card processing because of its lower rates and customer service. Mr. Byrd requested that the Attorney review the District's contract with Official Payments and requested an item regarding of same at the June 19<sup>th</sup> Board meeting.

Upon motion by Director Carp, 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 check number 1915 through 1916 from the Tax Account.

Mr. Byrd exited the meeting at this time.

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

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

b. Mr. Jackson reported that 98.87% of the water pumped was accounted for during the previous month.

c. Mr. Jackson then reported that there were no excursions at the wastewater treatment plant (the "STP").

d. Mr. Jackson reported that there were 42 delinquent accounts for non-payment of water and sewer bills. Mr. Jackson noted the delinquent accounts report printed one (1) week earlier than usual, therefore, there is an increase in the number of delinquent accounts.

e. Mr. Jackson also reported that the District received a request for a cut-in water costs from a resident. Mr. Jackson added that ST denied the request.

f. Mr. Jackson mentioned that another resident has disputed the \$10.00 delinquent letter fee. Mr. Jackson went on to explain that ST does not recommend waiving such fee. The Board then concurred that the District will not waive the \$10.00 delinquent fee.

g. Mr. Jackson updated the Board, with regard to the infiltration near the Pin Oak Village swimming pool, and reported that there is a sink hole present. Mr. Jackson went on to report that the sewer line needs to be replaced and that part of the pipe is missing. Mr. Jackson added that the manhole will need to be raised.

h. Mr. Jackson then responded to billing questions from the Board.

i. Mr. Williams reported that ST will begin flushing valve repairs soon.

j. Mr. Jackson distributed the 2012 Drinking Water Quality Report/Consumer Confidence Report (the "CCR") for the Board and Ms. Adams' review, a copy of which is attached hereto as Exhibit "E". Mr. Williams stated that the District's water meets all requirements.

Upon motion by Director Davis, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the Operator's Report, as presented; authorized termination of service to 42 delinquent accounts pursuant to the District's Rate Order; and approved the CCR and authorized distribution of same.

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

a. Mr. Leyendecker reported that Mace Hirt is retiring from Simon Properties.

b. Mr. Leyendecker informed the Board that the cost for the installation of security lights at the STP ranges from \$3,700.00 to \$5,000.00. The Board then requested that a contractor provide a good estimate with specifications for such project.

c. Mr. Leyendecker then reported that the removal of the digester is still in progress. Mr. Leyendecker went on to report that the District is testing for lead on the primer on the digester and that the water will need to be pumped out.

d. Mr. Leyendecker mentioned that there are existing 16 foot (16') utility easements on the Fernglen and Lake Briar properties appropriate for the District's newly installed sanitary sewer line.

e. Mr. Leyendecker then reported that the District is waiting on CenterPoint Energy for the installation of the lights in the Pin Oak Village subdivision.

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

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

SIGNED, PASSED and APPROVED this the 19<sup>th</sup> day of June, 2013.



*David A. Corp*  
Secretary, Board of Directors

EXHIBITS:

- A - Electronic mail correspondence regarding request for additional fencing
- B - Bookkeeper's Report, including Investment Report
- C - Tax Assessor-Collector Report
- D - Operations Report
- E - 2012 Drinking Water Quality Report/Consumer Confidence Report