

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

June 19, 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, June 19, 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:

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. Also attending all or portions of the meeting were: Terry Holland 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; 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 comment, the President directed the Board to proceed with the agenda.

2. The Board first considered approval of the May 15, 2013 regular meeting minutes. Upon motion by Director Davis, seconded by Director Ammer, after full discussion and with all Directors present voting aye, the Board approved such minutes, subject to certain corrections.

3. Mr. Holland presented the Bookkeeper's Report and Investment Report, copies of which are attached hereto as Exhibit "A".

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

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

Upon motion by Director Ammer, seconded by Director Carp, after full discussion and with all Directors present voting aye, the Board approved the Bookkeeper's Report as presented, authorized payment of checks numbered 6950 through 6968 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 99% of the 2012 taxes have been collected as of May 31, 2013.

c. Mr. Byrd then informed the Board that delinquent notices regarding impending July 1 penalty were mailed at the end of May.

d. Mr. Byrd reported that the preliminary appraised values for 2013 are approximately \$160,594,457.

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 1917 through 1918 from the Tax Account.

e. Mr. Byrd reminded 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 noted that the Attorney is currently reviewing the contract with Official Payments.

Upon motion by Director Davis, seconded by Director Berckenhoff, after full discussion and with all Directors present voting aye, the Board approved and authorized execution of the contract with Official Payments for credit card processing, subject to Attorney revisions.

Mr. Byrd exited the meeting at this time.

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

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

b. Mr. Jackson reported that 92.18% 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 three (3) delinquent accounts for non-payment of water and sewer bills.

e. Mr. Jackson updated the Board, with regard to the infiltration near the Pin Oak Village swimming pool, and reported that the sewer line has been replaced and repairs have been completed.

f. Mr. Jackson also reported that the District received electronic mail correspondence from Mr. Brad McMullen located at 24819 Viewridge Drive, a copy of which is attached hereto as Exhibit "D". Mr. Jackson reported that Mr. McMullen requested the District waive \$10.00 in late fees because he alleged payments were mailed to ST timely, but received by another water district, where it was held for two (2) weeks prior to it being returned to him. Mr. Jackson added that Mr. McMullen does not have a history of delinquencies.

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 three (3) delinquent accounts pursuant to the District's Rate Order; and authorize the Operator to waive the delinquent fees for the customer located at 24819 Viewridge Drive.

6. The Engineer's Report was presented by Ms. Adams, due to the absence of David Leyendecker, P.E. of Clay & Leyendecker, Inc., engineer for the District.

a. A discussion ensued regarding the installation of the street lights and the locations for same and the Board indicated it would ask Mr. Leyendecker if one of the proposed new street lights will be placed in front of the Mills Pointe subdivision.

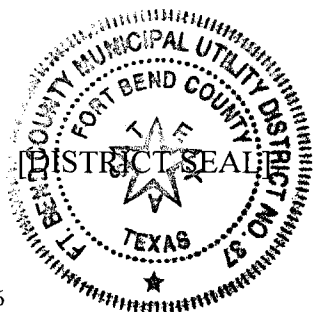
7. The Board then discussed appointing a Director to review the status of the maintenance of the berm and Director Ammer was appointed for same.

8. Ms. Adams informed the Board that the District is still awaiting an estimate for the cost of the installation of security lights at the STP and the police reports evidencing criminal activity at the detention pond from Mills Pointe Homeowners Association.

9. Ms. Adams then explained that a letter had been sent to the Board regarding an adjustment to JRPB's 2013 hourly rates for legal services. Ms. Adams explained that her rate will increase from \$250 to \$265 per hour, Rita Rodriguez's rate will increase from \$140 to \$145 per hour, and Darlyn Castillo's rate will increase from \$50 to \$55 per hour. Upon motion by Director Berckenhoff, seconded by Director Carp, after full discussion and the question being put to the Board, the Board voted unanimously to approve the adjustment to the 2013 hourly rates for JRPB. A copy of the letter agreement is attached hereto as Exhibit "E".

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

SIGNED, PASSED and APPROVED this the 17th day of July, 2013.




Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, including Investment Report
- B - Tax Assessor-Collector Report
- C - Operations Report
- D - McMullen correspondence
- E - JRPB 2013 Rate Schedule Letter Agreement