

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 37

MINUTES OF MEETING OF BOARD OF DIRECTORS

October 16, 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, October 16, 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: Mr. Rico Rodriguez, P.E. of RR Engineering, LLC, engineers for Pulte Homes ("Pulte"); 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 comment, the President directed the Board to proceed with the agenda.

2. The Board then considered approval of the September 18, 2013 regular meeting minutes. Upon motion by Director Carp, seconded by Director Berckenhoff, 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.

c. A discussion ensued regarding North Fort Bend Water Authority (the "Authority") pumpage fees paid in comparison to revenue collected and after extensive review and discussion it was noted that there was a delay in Authority billing and ultimately payment for the pro rata share of same by Westside Water.

Upon motion by Director Carp, seconded by Director Davis, 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 7040 through 7063 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 99.7% of the 2012 taxes have been collected as of September 30, 2013.

c. Mr. Byrd noted that Equi-Tax is preparing the District's 2013 tax bills.

Upon motion by Director Berckenhoff, 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 1930 from the Tax Account.

Mr. Byrd exited the meeting at this time.

5. Mr. Williams then presented the Operator'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 90.13% 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 three (3) delinquent accounts for non-payment of water and sewer bills.

e. Mr. Williams then recommended that one (1) finaled account in the total amount of \$6.56, be written off as uncollectible.

f. Mr. Williams then presented a proposal for drainage ditch clearing and de-silting in the amount of \$22,950.00 from Champions Hydro-Lawn, Inc., a copy of which is attached to the Operations Report. A discussion ensued regarding the drainage ditch matter near the Pin Oak Village tennis courts for which the proposal was

presented and the Board determined that, per Mr. Leyendecker, the ditch and maintenance of same is the responsibility of the City of Katy.

g. Mr. Williams noted that the District is awaiting receipt of the calibration report for the interconnect meter with Westside Water.

h. Mr. Williams then reviewed with the Board ST's Schedule of Standard Rates, a copy of which is attached hereto as Exhibit "D".

i. Director Berckenhoff reported that some sod and driveway/sidewalk should be replaced at some residences that were damaged due to repairs in the District. Mr. Williams stated that he will investigate same. Director Berckenhoff then inquired about directional drilling occurring in the District. Mr. Williams responded that ST received notice of the drilling via One Call. Director Berckenhoff noted that it appeared to be direction drilling for a natural gas line.

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

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

a. Mr. Leyendecker reported that there is no update on the status of the installation of the street lights in the Pin Oak Village and Mills Pointe subdivisions.

b. Mr. Leyendecker then reviewed the Engineering feasibility study for the 26-acre tract (the "Tract") for residential development by Pulte, a copy of which is attached hereto as Exhibit "E". A discussion ensued regarding same and the Board recognized Mr. Rodriguez who explained that Pulte plans for the residential community to be a gated community. Ms. Adams noted that the feasibility study needs to be reviewed by the District's Financial Advisor before approval.

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.

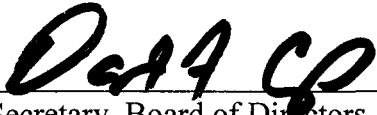
7. Ms. Shelnutt then reviewed with the Board the drainage facilities maintenance and repair expenses billed to Katy Mills Mall ("Katy Mills") for 2010, 2011 and 2012, a copy of which is attached hereto as Exhibit "F". Ms. Shelnutt noted that the total amount due by Katy Mills is \$11,028.52.

8. 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. Director Carp then thanked the consultants for their service to the District.

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

SIGNED, PASSED and APPROVED this the 20<sup>th</sup> day of November, 2013.



  
Secretary, Board of Directors

EXHIBITS:

- A - Bookkeeper's Report, including Investment Report
- B - Tax Assessor/Collector Report
- C - Operations Report
- D - Schedule of Standard Rates
- E - Engineering Feasibility Study for 26-acre tract
- F - Drainage Facilities Maintenance and Repair Expenses to Katy Mills Mall