

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
March 21, 2018

THE STATE OF TEXAS §  
COUNTY OF FORT BEND §  
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 47 §

The Board of Directors (the "Board") of Fort Bend County Municipal Utility District No. 47 (the "District") met in regular session, open to the public, at 2929 Allen Parkway, Suite 3450, Houston, Texas, 77019, its regular meeting place outside the boundaries of the District, at 12:15 p.m., on Wednesday, March 21, 2018; whereupon, the roll was called of the members of the Board, to-wit:

Jerome Cogan	President
Glenn Murray	Vice President
Lauren Svatek	Secretary
Robert "Jeff" Ford	Director
Lynette Salmon	Director

All members of the Board were present, thus constituting a quorum. Also attending the meeting were: Ms. Lori Buckner of Myrtle Cruz, Inc., bookkeepers for the District; Mr. Johnny Bellamy of Municipal District Services, LLC ("MDS"), operator for the District; Ms. Debbie Arellano of Bob Leared Interests, tax assessor/collector for the District; Mr. Dennis Hughes, P.E., of Landev Engineers, Inc., engineers for the District; Mr. Bill Blich of Blich Associates, Inc., financial advisors for the District; Mr. David Glunt, Project Manager for Gateway Land Development/52, LP ("Gateway"), developer of Olympia Estates Sections 9, 10, and 11, within the District; Mr. Eric Ungar of Skymark Development Co., Inc., developer of Lake Shore Harbour ("LSH"), Sections 6 and 7 within the District; Mr. David Lucyk, representative for Equitable Home Mortgage, Inc.; Messrs. Casey Collins and Michael Henn of Kudela & Weinheimer, landscape architects for the District; Messrs. Greg McKenzie and Junious Williams of Ashton Woods; Mr. Shannon Barksdale of Gehan Homes; Ms. Lyndsay Evans, P.E., of Jones & Carter, Inc.; and Mr. Jonathan D. Polley and Ms. Monica Garza, attorneys, and Ms. Alison Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC, attorneys for the District.

WHEREUPON, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. The posted notices of the meeting are attached hereto.

APPROVAL OF THE MINUTES

Mr. Polley presented the minutes of the regular meeting of February 21, 2018 to the Board for approval. Upon motion by Director Cogan, seconded by Director Ford, after full discussion and the question being put to the Board, the Board voted unanimously to approve the minutes of the regular meeting of February 21, 2018, as written.

## DEVELOPER'S REPORT

Mr. Ungar reported that all lots have been sold in LSH Section 7, and it should be built out by the end of the year.

Mr. Glunt reported that 26 homes are under construction in Olympia Estates, Section 9. Mr. Glunt also reported that paving crews are currently in Olympia Estates, Section 10, and builders should be onsite by the end of April. Mr. Polley then requested ratification of acceptance of a special warranty deed to convey fee ownership of the Olympia Estates ditch to the District. Upon motion by Director Cogan, seconded by Director Svatek, after full discussion and the question being put to the Board, the Board voted unanimously to ratify acceptance of a Special Warranty Deed to convey fee ownership of the Olympia Estates ditch to the District.

Mr. Barksdale then reported that Gehan Homes is requesting approval to advertise for bids for water, sanitary sewer and drainage facilities for the Enclave at Lake Shore Harbour (the "Enclave") development (fka Venetian Village). Director Ford asked what style of home would be built in the Enclave. Mr. Barksdale stated that the style will be similar to what is already built in the surrounding area and pricing would be approximately \$200,000 to \$300,000. Director Murray asked which homeowners association ("HOA") will the Enclave development belong to. Mr. Barksdale stated that the Enclave will belong to the LSH HOA. Mr. Polley then stated that Board consent is needed for advertising for bids for water, sanitary sewer and drainage facilities, subject to a reimbursement agreement with the District. Mr. Polley also stated that reimbursement will not be paid until the development adds sufficient taxable value to justify reimbursement. Ms. Evans stated that she has received a no objection letter from Mr. Hughes and she can be ready to advertise for bids by Friday. Upon motion by Director Salmon, seconded by Director Svatek, after full discussion and the question being put to the Board, the Board voted unanimously to consent to advertising for bids for water, sanitary sewer and drainage facilities for the Enclave

Mr. McKenzie reported that Ashton Woods is interested in a development across Highway 6 from the District, and Missouri City recommended that they approach the District for a possible annexation. Mr. McKenzie stated that Shipman's Cove would be a 274 lot community, with homes priced between \$275,000 and \$375,000. Mr. McKenzie also stated that the development has an approximate \$9,000,000 bond issue requirement, and that he understands that the District does not currently have the bond authorization to reimburse for the project. Mr. McKenzie further stated that he would like the Board to consider including the Shipman's Cove development in a future bond authorization election. Mr. Polley explained that the normal course of action is to submit an application for service/annexation and feasibility deposit so that Mr. Hughes can then prepare a feasibility study for the proposed development. Mr. Polley stated that the only caveat is that Ashton Woods will need to help pay the costs for the District to hold a bond authorization election if Ashton Woods desires reimbursement. Discussion regarding a potential bond authorization election ensued.

Upon motion by Director Salmon, seconded by Director Ford, after full discussion and the question being put to the Board, the Board voted unanimously to authorize preparation of a

feasibility study for the proposed Shipman's Cove development, subject to receipt of an application for service/annexation and feasibility deposit.

#### TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Arellano presented the Tax Assessor/Collector's Report for the month of February, a copy of which is attached hereto. Ms. Arellano reported that the District has collected 97.268% of its 2017 taxes to date. Upon motion by Director Cogan, seconded by Director Svatek, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Tax Assessor/Collector's Report, including payment of the checks reflected therein.

#### DISCUSS POTENTIAL NEED FOR BOND ELECTION, AND TAKE ANY NECESSARY ACTIONS ON SAME

Mr. Polley reported that the District currently has approximately \$8,700,000 remaining in bond authorization, which is the amount needed to reimburse for the Olympia Estates and LSH subdivisions. Mr. Polley stated that the District is also committed to reimbursement for the Enclave development, and that the Board will need to consider other funding options for that reimbursement. Mr. Polley also stated that he would like to get in touch with any developers that would like to potentially develop property within the District or annex into the District to prepare an accurate dollar amount for a potential bond authorization election.

#### BOOKKEEPER'S REPORT

Ms. Buckner presented the Bookkeeper's Report, a copy of which is attached hereto. Ms. Buckner reviewed the District's current fund balances, expenditures, and investments, as well as the District's year-to-date revenues and expenditures. Upon motion by Director Cogan, seconded by Director Svatek, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, the investment report and authorize payment of checks reflected therein.

#### OPERATOR'S REPORT

Mr. Bellamy then presented the Operator's Report, a copy of which is attached hereto. Mr. Bellamy noted that the District currently serves 616 active connections and 91 District residents have registered to receive priority messaging updates. Mr. Bellamy also reported on the various repairs and maintenance/action items completed within the District during the month. Mr. Bellamy further reported that 46 accounts were terminated due to non-payment. Director Murray then stated that two (2) lights are out along the jogging trail. Mr. Bellamy stated that he would have the lights replaced. Upon motion by Director Murray, seconded by Director Cogan, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Operator's Report and authorize MDS to terminate service to the delinquent accounts listed in the report in accordance with the provisions of the District's Rate Order.

## DEVELOPER'S REPORT, CONTINUED

Mr. Lucyk asked what the timeframe is for the annexation of the Equity Trust Company 8.6782-acre tract. Mr. Polley stated that the District can move forward with the annexation as long as the property owner understands that the District does not currently have the required bond authorization for reimbursement. Mr. Polley reported that he spoke with Ms. Mallory Craig, of Coats Rose, attorneys for Equity Trust Company, and she agreed to convey the bond authorization issue to the property owner and stated that she would let him know the answer. Mr. Lucyk stated that the property owner would like to move forward with the annexation. Mr. Polley then stated that some amendments to the draft financing agreement would be necessary to contemplate the bond authorization issues.

## ENGINEER'S REPORT

Mr. Hughes presented the Engineer's Report, a copy of which is attached hereto. Mr. Hughes reported that he received Pay Estimate No. 9, in the amount of \$6,490, from Harris Construction Co., Ltd., for construction of utilities to serve LSH, Section 7. Mr. Hughes also reported that he received Pay Estimate No. 1, in the amount of \$241,774.72, from D. Grimm, Inc., for construction of utilities to serve Olympia Estates, Section 10 and clearing and grubbing in Olympia Estates, Section 11.

Mr. Hughes then reported that the project to rehabilitate the channel outfall structures is nearing completion, and that Camino Services is currently working on reinstalling the concrete slope protection.

Regarding erosion issues in the Olympia Estates ditch, Mr. Hughes reported that he visited the ditch with Camino Services, and they have determined that there are sand seams that fill with water then pushes sand into the ditch. Mr. Hughes stated that the solution is to dig the sand seams out and bring in clay fill to seal the areas off. Mr. Polley asked if Mr. Hughes had a ballpark cost to repair the ditch. Mr. Hughes stated that he thinks it would be around \$10,000 but that he couldn't be sure without getting prices from contractors. Mr. Hughes stated that he would have proposals for the ditch repair at the April Board meeting. Director Salmon then stated that she has a concern about Camino Services performing the work since they did not fix the channel outfall structures correctly. Mr. Polley suggested obtaining cost estimates from at least two (2) or three (3) companies that do this type of ditch work. Mr. Polley also suggested appointing a sub-committee to work with Mr. Hughes to approve the proposal if he obtains them before the next meeting. Upon motion by Director Murray, seconded by Director Cogan, after full discussion and the question being put to the Board, the Board voted unanimously to appoint Directors Svatek and Salmon to approve a contract for the ditch repair, up to \$25,000.

Upon motion by Director Cogan, seconded by Director Ford, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Engineer's Report, including: 1) Pay Estimate No. 9, in the amount of \$6,490, from Harris Construction Co., Ltd., for construction of utilities to serve LSH, Section 7; and 2) Pay Estimate No. 1, in the amount of \$241,774.72, from D. Grimm, Inc., for construction of utilities to serve Olympia Estates, Section 10 and clearing and grubbing in Olympia Estates, Section 11.

ATTORNEY'S REPORT

Mr. Polley reported that he attended a meeting with Missouri City regarding the MUD feasibility analysis that is being prepared by Missouri City. Mr. Polley stated that Missouri City's goal is to make the current water and wastewater system more efficient, and that they are looking for places to dissolve MUDs and also better regionalize water and wastewater facilities. Mr. Polley then stated that Missouri City is asking for certain documentation from each utility district in order to prepare the analysis, and that the final report is expected to be presented to City Council by January 2019. Mr. Polley explained that Missouri City cannot reimburse developers, so MUDs with developer reimbursements to be paid in the future will need to remain operational. Mr. Polley stated that his impression is the City has no hostility towards MUDs.

UPDATE ON RECREATIONAL FACILITIES

Mr. Collins then reviewed the plans for the Phase I jogging trail project. Discussion regarding the plan ensued.

Director Murray exited the meeting at this time.

EXECUTIVE SESSION

Mr. Polley then adjourned the regular meeting at 2:24 p.m. and announced that the Board would convene in executive session pursuant to Chapter 551, Texas Government Code, as amended, specifically Section 551.072 regarding real estate negotiation matters. Directors Cogan, Svatek, Ford and Salmon, and Mr. Polley, Ms. Garza and Ms. Miller remained in the executive session.

RECONVENE IN OPEN SESSION

Director Cogan then reconvened the meeting in open session at 2:54 p.m., at which time no action was taken.

MISCELLANEOUS MATTERS

Mr. Polley then reported that the next regular meeting would be held on Wednesday, April 18, 2018, at 12:15 p.m. at 2929 Allen Parkway, Suite 3450, Houston, Texas, 77019. There being no further business to come before the Board, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED this 18<sup>th</sup> day of April, 2018.



  
Secretary, Board of Directors