

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
May 16, 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, May 16, 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. ("Landev"), engineers for the District; Messrs. Bill Blich and George Blich of Blich Associates, Inc., financial advisors for the District; Mr. David Glunt, Project Manager for Gateway Land Development/52, LP, 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. and Equity Trust Company; Messrs. Casey Collins and Michael Henn of Kudela & Weinheimer, landscape architects for the District; and Mr. Jonathan D. Polley and Ms. Monica Garza, attorneys, and Ms. Alison Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), 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 April 18, 2018 to the Board for approval. 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 minutes of the regular meeting of April 18, 2018, as written.

## DEVELOPER'S REPORT

Mr. Polley reported that he has revised the financing agreement for Equity Trust Company to provide that the Developer will pay its prorata share of the costs of a bond authorization election and to condition any reimbursement on the District passing such election. 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 authorize execution of the financing agreement with Equity Trust Company.

Mr. Ungar reported that electricity has been connected in LSH Section 7 and houses are being built.

Mr. Glunt reported that 26 homes are under construction with 40 home sales in Olympia Estates, Section 9. Mr. Glunt also reported that paving has been completed in Olympia Estates, Section 10, and he is currently waiting on CenterPoint Energy to connect electricity. Mr. Glunt next reported that he will be going out for bids for clearing and grubbing in Olympia Estates, Section 11 next month.

## TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Arellano presented the Tax Assessor/Collector's Report for the month of April, a copy of which is attached hereto. Ms. Arellano reported that the District has collected 98.035% of its 2017 taxes to date. Ms. Arellano also reported that she has received the District's preliminary appraised property values in the amount of \$163,838,294, and that they are up 17% from last year's values. 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.

## REVIEW AND APPROVE PROPOSAL FROM ARTHUR J. GALLAGHER & CO. CONCERNING RENEWAL OF DISTRICT'S INSURANCE POLICIES

Mr. Polley presented the insurance renewal proposal to the Board and stated that the premium is increasing from \$6,019 to \$6,429, for an increase of \$410 from the previous year. Mr. Polley noted that the insurance renewal proposal shows that the District had an insurance claim in August 2017. Mr. Bellamy stated that he would find out if there had been a claim over the previous year. Mr. Polley stated that approval of the insurance renewal proposal can be deferred to the next meeting.

## 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. Ms. Buckner noted that the proposed budget for the fiscal year ending June 30, 2019 is included in the Bookkeeper's Report. Ms. Buckner asked the District's consultants to review the proposed budget and forward any

comments to her. Ms. Buckner then stated that the proposed budget will need to be adopted at the June Board meeting.

Mr. Polley then presented a Resolution Authorizing Use of Surplus Capital Project Funds (the "Resolution") for approval. Mr. Polley explained that the Resolution would allow the District to reimburse its operating fund for the costs for the Cumberland Ditch outfall rehabilitation, in the amount of \$23,900.

Upon motion by Director Salmon, seconded by Director Cogan, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Bookkeeper's Report, the investment report, authorize payment of checks reflected therein and adopt the Resolution.

#### DISCUSS SCHEDULING OF FINANCIAL WORKSHOP

This item was deferred to the next meeting.

#### 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 634 active connections and 97 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 24 accounts were terminated due to non-payment and requested approval to write-off two (2) accounts in the amount of \$72.29. Mr. Bellamy then presented a quote from MDS in the amount of \$3,150 for the installation of a drain and basin under the trail. Mr. Bellamy also stated that MDS would water the trees along the trail in a few weeks unless he hears otherwise from Directors Salmon or Svatek. 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 Operator's Report, authorize MDS to terminate service to the delinquent accounts listed in the report in accordance with the provisions of the District's Rate Order, authorize the write-off of two (2) accounts in the amount of \$72.29, approve the proposal from MDS in the amount of \$3,150 for the installation of a drain and basin under the trail and authorize MDS to water the trees along the trail as directed by Directors Salmon and Svatek.

#### ENGINEER'S REPORT

Mr. Hughes presented the Engineer's Report, a copy of which is attached hereto. Mr. Hughes reported that the contractor for the Enclave at Lake Shore Harbour hopes to begin construction next week. Mr. Hughes then reported that a pre-construction meeting was held with Stuckey's Contract Services ("Stuckey's") on the Olympia Ditch rehabilitation project. Mr. Hughes stated that during the meeting, it was discovered that a haul road was constructed along the south berm of the drainage channel by the contractor for Olympia Estates. Mr. Hughes further stated that after speaking with the contractor, they will need the haul road to remain in place until the end of August, which will delay Stuckey's from beginning on the Olympia Ditch

rehabilitation. Director Salmon then reported that after meeting with Stuckey's, some erosion issues have been discovered along the top of the Olympia Ditch that could affect the drainage. Mr. Glunt explained that the ditch was constructed off center which has caused the back slope interceptors to be on the resident's fence lines. Mr. Polley asked if there is a solution to help the erosion issue. Mr. Glunt stated that Stuckey's should grade and sod the back slope. Director Salmon then stated that she would like Stuckey's to inspect the entire ditch for any other issues. Mr. Hughes stated that a change order can be submitted to add any additional work under the original contract with Stuckey's. Mr. Polley suggested getting a change order proposal for any additional work that needs to be done, and if the amount is over \$25,000, then additional bids would need to be obtained.

Mr. Polley then asked if the Board would like to consider having Stuckey's inspect the District's other ditches. Director Salmon stated that she has been very impressed with Stuckey's and that they offer ditch inspection services and will pick up garbage from the ditches. Mr. Polley stated that the District can continue to have Seaback Maintenance mow the ditches and engage Stuckey's to inspect the ditches. Mr. Polley suggested having a representative from Stuckey's attend the next Board meeting to discuss their services. Mr. Hughes stated that he will invite a Stuckey's representative to attend the next meeting.

Upon motion by Director Svatek, 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.

AUTHORIZE ORDER DESIGNATING MEETING PLACE OUTSIDE THE DISTRICT TO DESIGNATE LA ESCONDIDA MEXICAN GRILL AS A DISTRICT MEETING PLACE (THE "ORDER")

Upon motion by Director Svatek, seconded by Director Salmon, after full discussion and the question being put to the Board, the Board voted unanimously to adopt the Order and to authorize RBAP to publish notice as required by law.

ATTORNEY'S REPORT

Mr. Polley reported that he met with the City of Missouri City (the "City") and Fort Bend County MUD No. 48 ("FBMUD 48") regarding Wastewater Treatment Plant ("WWTP") issues and the City's desire to move the District's capacity to the Palmer Plantation WWTP. Mr. Polley further reported that he would like to send a joint letter along with FBMUD 48 to the City regarding the regional plant construction and stating that the District and FBMUD 48 expect the City to honor its contract with the districts. Mr. Polley stated that he will circulate the letter to the Board once it has been prepared.

Mr. Polley then reported that he has reached out to the developers of property in the District's area regarding a potential bond election, and that all of the developers are interested. Mr. Polley then suggested that the District fund the costs of the bond election rather than incurring the time and expense of negotiating contracts with each developer. The Board concurred to fund the bond election.

UPDATE ON RECREATIONAL FACILITIES

Mr. Polley reported that he and Mr. Collins have a meeting today with Mr. Scott Elmer of the City regarding maintenance of the District's trails. Mr. Collins then reported that he has started on the construction drawings for the Phase I Trail Project and that he hopes to be at 90% next month. Mr. Henn then reviewed the plans for the Phase I Trail Project with the Board.

Mr. Polley next reported that he provided an offer letter for the 8.463-acre pond tract to Mr. Lucyk just before the meeting began.

REVIEW AND DISCUSS ENGINEERING SERVICES

Director Salmon stated that she has had concerns with Landev's services for about a year and that she has not been happy with their turnaround times or proactivity in District matters. Director Salmon suggested looking for another engineering services firm for the District. Discussion ensued regarding engineering services. 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 RBAP to prepare a Request for Qualifications from engineering services firms and provide notice of termination to Landev.

MISCELLANEOUS MATTERS

Mr. Polley then reported that the next regular meeting would be held on Wednesday, June 20, 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 20<sup>th</sup> day of June, 2018.



  
Secretary, Board of Directors