

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
June 20, 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, June 20, 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. Bill 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. Shannon Barksdale of Gehan Homes; Mr. David Lucyk, representative for Equitable Home Mortgage, Inc. and Equity Trust Company; Mr. Casey Collins of Kudela & Weinheimer, landscape architects for the District; and Mr. Jonathan D. Polley and Ms. Monica Garza, attorneys, 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 May 16, 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 May 16, 2018, as written.

## DEVELOPER'S REPORT

Mr. Glunt reported that nine (9) homes are waiting to start construction in Olympia Estates, Section 9. Mr. Glunt also reported that he is currently waiting on CenterPoint Energy to connect electricity in Olympia Estates, Section 10. Mr. Glunt next reported that the preliminary plat for Olympia Estates, Section 11 will be submitted on Friday. Mr. Glunt then presented a bid tabulation for clearing and grubbing in Olympia Estates, Section 11 and recommended awarding the bid to the low bidder, Triple B Services, LLP, in the amount of \$149,270. Upon motion by Director Cogan, seconded by Director Salmon, after full discussion and the question being put to the Board, the Board voted unanimously to approve awarding the bid for clearing and grubbing in Olympia Estates, Section 11 to Triple B Services, LLP, in the amount of \$149,270. A copy of the bid tabulation is attached hereto.

Mr. Barksdale then reported that the drainage construction will be completed in the Enclave at Lake Shore Harbour in about four (4) weeks. Mr. Barksdale also reported that the plans have been approved by Missouri City.

## AGREEMENT FOR FINANCING OF FACILITIES ("FINANCING AGREEMENT") WITH EQUITY TRUST COMPANY

Mr. Polley stated that the Financing Agreement has been revised to reflect that reimbursement will be subject to a future bond election. Upon motion by Director Svatek, seconded by Director Cogan, after full discussion and the question being put to the Board, the Board voted unanimously to authorize execution of the Financing Agreement.

## PETITION FOR ANNEXATION OF LAND AND PETITION FOR CITY CONSENT TO ANNEX LAND (THE "PETITIONS") FOR EQUITY TRUST COMPANY 8.6782-ACRE TRACT

Mr. Polley next reported that the Attorney General's office has recommended that the District have all of the annexation documents relating to the annexation of the Equity Trust Company 8.6782-acre tract re-executed since the original execution dates are over a year and a half old. Mr. Polley stated that RBAP has sent the revised documents to Coats Rose, attorneys for Equity Trust Company, for re-execution. 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 Petitions.

## TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Arellano presented the Tax Assessor/Collector's Report for the month of May, a copy of which is attached hereto. Ms. Arellano reported that the District has collected 98.454% of its 2017 taxes to date. Upon motion by Director Ford, seconded by Director Murray, 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 reported that the claim information from August 2017 that is listed in the renewal is related to a claim that was opened prior to Hurricane Harvey in case the District incurred any damage. Mr. Polley further reported that the cost is associated with adjustor's fees related to the claim. Mr. Polley stated that he is still investigating the claim with Arthur J. Gallagher & Co., but that the District's insurance coverage will expire on June 30<sup>th</sup>, so the renewal proposal will need to be approved. 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 insurance renewal proposal.

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 and will need to be adopted at today's meeting. Discussion ensued regarding various budget items. Mr. Polley reminded the Board that they can always amend the budget if needed. Upon motion by Director Cogan, seconded by Director Murray, 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 budget for the fiscal year ending June 30, 2019.

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 100 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 27 accounts were terminated due to non-payment. Mr. Bellamy then reported that an educational flyer regarding stormwater management will be sent out in August. Mr. Bellamy then reported that the drain and catch basin has been installed under the trail to eliminate ponding around the jogging trail.

Director Salmon then stated that a manhole and sidewalk near the tennis courts is damaged. Mr. Bellamy stated he can inspect the area and determine if a repair is needed. Director Cogan then suggested inspecting all manholes in the area because several manholes look worn. Mr. Bellamy stated MDS can perform a manhole survey.

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 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 and authorize MDS to perform a manhole survey.

DISCUSS OPTIONS FOR DISTRICT WEBSITE, AND TAKE ANY NECESSARY ACTIONS ON SAME

Director Salmon stated that she is interested in having a website created for the District. Director Salmon then stated that she attended a presentation by Off Cinco at an Association of Water Board Directors ("AWBD") Parks Committee meeting, and that it was very informative. Director Salmon further stated that she thinks it would be helpful to have information regarding the District's tax rate and bond issues on a website for District residents to access. Mr. Polley stated that a variety of website service providers are available. Mr. Polley recommended that the Board talk to the different website service providers that will be exhibiting at the upcoming AWBD Annual Conference.

ENGINEER'S REPORT

Mr. Polley presented the Engineer's Report, a copy of which is attached hereto.

Mr. Polley reported that Stuckey's Contract Services ("Stuckey's") has completed a soil sample of the Olympia Estates Channel and is recommending a soil treatment prior to beginning work of the Olympia Estates Channel. Mr. Polley then reported that Stuckey's could not attend today's meeting due to a prior commitment. The Board decided to defer action on Stuckey's recommendations until the next meeting.

Mr. Glunt then presented Pay Estimate No. 3, in the amount of \$101,316.14, submitted by D. Grimm, Inc., a copy of which is attached hereto, in regards to the construction of utilities to serve Olympia Estates, Section 10. Mr. Polley then reminded the board that the developer is responsible for this payment which is subject to reimbursement by the District in the future.

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 approve the Engineer's Report and approve Pay Estimate No. 3, in the amount of \$101,316.14, from D. Grimm, Inc., for construction of utilities to serve Olympia Estates, Section 10 and clearing and grubbing in Olympia Estates, Section 11.

RATIFY APPROVAL OF RESOLUTION AUTHORIZING USE OF SURPLUS CAPITAL PROJECTS FUNDS

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 ratify approval of the Resolution Authorizing Use of Surplus Capital Projects Funds.

## ATTORNEY'S REPORT

Mr. Polley reported that the proposed bond election is on hold until a new engineer is hired by the District. Mr. Polley next reported that a response was received to the District's initial offer letter for the 8.463-acre tract declining the District's offer. Mr. Polley recommended approving a Resolution Authorizing Proceedings in Eminent Domain (the "Resolution") should the District decide to enter into eminent domain proceedings to acquire the property. 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 adopt the Resolution.

Mr. Polley next explained the condemnation process to the Board. Mr. Polley recommended engaging with condemnation counsel and presented engagement letters from two (2) different condemnation attorneys. Discussion ensued regarding the various stages of the condemnation process. 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 authorize engagement of Hunton Andrews Kurth as condemnation counsel. A copy of the engagement letter is attached hereto.

Mr. Polley then reported that Statements of Qualifications were received from Jones Carter, Inc. ("Jones Carter") and LJA Engineering ("LJA"), both of which have been provided to the Board for review. Mr. Polley also reported that Costello Engineering and Kelly R. Kaluza & Associates declined to submit Statements of Qualifications. Mr. Polley stated that the Board can decide to interview Jones Carter and LJA, or request more proposals from additional engineering firms. Mr. Collins stated that Mr. Sean Burch with Jones Carter has been a pleasure to work with. Mr. Polley also stated that Mr. Steven Boyd, the District's previous engineer, is now employed by LJA. The Board concurred to schedule a special meeting to interview both firms.

## UPDATE ON RECREATIONAL FACILITIES

Mr. Collins reported that he, Mr. Polley and Ms. Garza met with Missouri City regarding maintenance of the District's trails. Mr. Collins further reported that Missouri City has an issue with the garbage cans that are being proposed for the trail, and that the District would need to use Missouri City's preferred garbage cans in order for Missouri City to handle the trail maintenance. Mr. Collins also reported that the District would need to increase the thickness of the trail concrete for Missouri City vehicles to have access to the trail. Mr. Collins suggested getting quotes for trail maintenance before deciding to move forward with handing trail maintenance over to Missouri City.

## SUPPLEMENTAL NOTICE OF PUBLIC MEETING

Mr. Polley then reviewed the Supplemental Agenda regarding the District's upcoming November 6, 2018 Directors Election, a copy of which is attached hereto. Mr. Polley noted that terms of Directors Cogan, Murray and Svatek are expiring this November.

Mr. Polley explained that the District is required to appoint a Designated Agent and post notice of the designation. Mr. Polley noted that RBAP typically serves as the Designated Agent. In addition, Mr. Polley explained that the District is required to post a Notice of Deadline to File Application for place on Ballot. Mr. Polley noted that the first day a candidate can file an application is July 21, 2018 and the last day to file an application is August 20, 2018. Upon motion by Director Cogan, seconded by Director Salmon, after full discussion and the question being put to the Board, the Board voted unanimously to appoint RBAP as the Designated Agent for the November 6, 2018 Directors Election and authorize RBAP to post the Notice of Designated Agent and the Notice of Deadline to File Application for place on Ballot.

MISCELLANEOUS MATTERS

Mr. Polley then reported that the next regular meeting would be held on Wednesday, July 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 July, 2018.



  
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Secretary, Board of Directors