

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
August 15, 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, August 15, 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, except Director Murray, thus constituting a quorum. Also attending the meeting were: Ms. Lori Buckner of Myrtle Cruz, Inc., bookkeepers for the District; Messrs. Stephen Swindell, P.E., and Victor Saenz, P.E., of Jones Carter, Inc. ("JCI"), engineers 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; Messrs. Bill Blicht and George Blicht of Blicht 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. David Lucyk, representative for Equitable Home Mortgage, Inc. and Equity Trust Company; Ms. Shannon Waugh of Off Cinco, website consultant; and Mr. Jonathan D. Polley and Ms. Monica Garza, attorneys, and Ms. Alison Miller, paralegal, of Radcliffe Bobbitt Adams Polley PLLC ("RBAP"), general counsel 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 July 18, 2018 and the certified agenda of the executive session of July 18, 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 July 18, 2018 and the certified agenda of the executive session of July 18, 2018, as written.

## DEVELOPER'S REPORT

Mr. Polley reported that Equity Trust Company has asked RBAP to file the annexation petitions with Missouri City while they continue to obtain the necessary certificates of authority from the property owners. Mr. Polley stated he does not see any issue with filing the annexation petitions with Missouri City, but that he has informed Equity Trust Company that the annexation will not be finalized until the certificates of authority are obtained. Mr. Polley further stated that there is no action required from the Board, and that RBAP will proceed forward with the annexation process.

Mr. Glunt reported that there are a total of 73 lots in Olympia Estates, Section 9, with 52 lots under constructions and 46 lots sold. Mr. Glunt also reported that 24 lots have been purchased in Olympia Estates, Section 10, and that builders will begin construction in the next 30 days. Mr. Glunt next reported that clearing and grubbing is underway in Olympia Estates, Section 11. Mr. Glunt then stated that there is an issue with the plat for Olympia Estates, Section 11 because Missouri City is not allowing access from Lake Olympia Parkway and access will need to be from the south side of the Olympia ditch. Mr. Glunt next stated he will be resubmitting the plat to Missouri City for approval.

## DISTRICT WEBSITE

Ms. Waugh reviewed the proposed District website with the Board, a copy of which is attached hereto. The Board then discussed good points of interest for photos for the District website. Ms. Waugh stated she can have the photos taken for the website. Director Salmon then asked if there would be a direct link to sign up for the District's priority messaging service. Ms. Waugh stated that a link can be placed at the top of the District website directing District residents to sign up for the priority messaging service. Mr. Polley then asked when the District website will be ready to go live. Ms. Waugh stated that the District website can go live as soon as the photos are uploaded, or the District website can go live now and the photos can be added later. Director Salmon stated she would like the photos on the District website before it goes live. Mr. Polley then stated it would be a good idea to include a message about the new District website on the next water bill. Mr. Bellamy stated he would include the message on the next water bill. Mr. Polley then asked the Board if they would like a District logo. Ms. Waugh stated that Off Cinco can design a number of logos for the District to choose from for an additional fee. Director Svatek stated the Board can revisit a District logo at a later date. Ms. Waugh then stated the District website will go live as soon as the photos of the District are received and uploaded.

## TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Arellano presented the Tax Assessor/Collector's Report for the month of July, a copy of which is attached hereto. Ms. Arellano reported that the District has collected 99.102% of its 2017 taxes to date. 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 Tax Assessor/Collector's Report, including payment of the checks reflected therein.

DELINQUENT TAX ATTORNEY'S REPORT, INCLUDING AUTHORIZE TERMINATION OF SERVICE TO DELINQUENT TAX ACCOUNTS

Ms. Arellano presented the Delinquent Tax Attorney's Report, a copy of which is attached hereto. Ms. Arellano noted that after the last meeting, the Delinquent Tax Attorney sent letters to homeowners with delinquent 2017 taxes, giving them notice of today's meeting. Ms. Arellano stated that the accounts under Section II of the Report will be terminated due to non-payment of delinquent 2017 taxes. 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 Delinquent Tax Attorney's Report and authorize termination of service to delinquent tax accounts.

FINANCIAL ADVISOR'S REPORT, INCLUDING FINANCIAL ADVISOR'S RECOMMENDATION FOR 2018 TAX RATE, PUBLICATION OF EFFECTIVE TAX RATE CALCULATIONS, AND PUBLIC HEARING DATE REGARDING 2018 TAX RATE

Mr. Bill Blich then presented the Financial Advisor's Report. Concerning the District's 2018 tax rate, Mr. Blich presented his analysis to the Board, a copy of which is attached hereto. Mr. Blich stated in 2017, the District levied \$0.451 for debt service and \$0.472 for operations and maintenance, for a total tax rate of \$0.923 per \$100 of assessed value. Mr. Blich reported that assuming no growth in the District over the next year, one option for the District's 2018 tax rate would be \$0.670 for debt service and \$0.253 for operations and maintenance, for a total 2018 tax rate of \$0.923. Mr. Blich next reported that assuming \$20 million in growth in the District over the next year, then a second option for the District's 2018 tax rate would be \$0.598 for debt service and \$0.325 for operations and maintenance, for a total 2018 tax rate of \$0.923. After some discussion, 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 authorize publication of the District's proposed 2018 tax rate of \$0.923, and to hold a public hearing on same at the District's regular Board meeting September 19, 2018.

ADOPT ORDER REGARDING ANNUAL REVIEW OF RULES, POLICIES, CODE OF ETHICS AND LIST OF AUTHORIZED BROKERS FOR THE INVESTMENT OF DISTRICT FUNDS (THE "ORDER")

Mr. Polley then explained that the Public Funds Investment Act requires the Board to review the District's investment policy on an annual basis and presented the Order for the Board's consideration and adoption. Mr. Polley noted that Exhibit "A", the list of approved financial institutions and brokers, had been updated by MCI, but RBAP is not recommending any other changes. 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 adopt the Order, a copy of which is attached hereto.

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 then stated that the Board should consider amending the District's budget to take the 2018 tax rate into consideration. 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 the Bookkeeper's Report, the investment report and authorize payment of checks reflected therein.

#### SCHEDULE FINANCIAL WORKSHOP

This item was deferred until the next meeting.

#### OPERATOR'S REPORT

Mr. Bellamy presented the Operator's Report, a copy of which is attached hereto. Mr. Bellamy noted that the District currently serves 668 active connections and 108 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 39 accounts were terminated due to non-payment.

Mr. Bellamy next reminded the Board that they had previously requested that MDS perform a survey of all of the District's manholes. Mr. Bellamy explained that the manhole survey will cost \$60 per unit, for 238 manholes, for a total of approximately \$15,000. Mr. Bellamy stated that the survey will provide GPS coordinates for each manhole and a detailed report with pictures will be presented to the Board. Mr. Swindell stated it is a good idea to survey the District's manholes every few years. The Board concurred with MDS moving forward with the manhole survey.

Mr. Bellamy then reviewed the results of the storm sewer inlet survey with the Board. Mr. Bellamy stated that a lot of problems were identified, and a list of priority repair items has been prepared. Mr. Bellamy further stated it will cost approximately \$418,000 to fix every repair item in the report. Mr. Polley stated that theoretically, Missouri City should be maintaining the storm sewers within the District. Mr. Polley asked if there is any chance that Missouri City would repair the storm sewers. Mr. Bellamy stated that the District's storm sewers are probably a low priority to Missouri City. Mr. Swindell then stated he has not seen Missouri City do a storm sewer repair that was not an emergency repair. Mr. Bellamy further reported that there are 17 trip hazards, 136 areas with debris and 33 storm sewer inlets that are sticking up in grass. Mr. Bellamy stated he recommends fixing the trip hazards, at a cost of \$52,000 and clearing the debris, at a cost of \$154,000. Mr. Polley asked the Board if they would like to review the repair list before deciding how to proceed with the repairs. Director Cogan stated he would like to have any serious trip hazards repaired. Mr. Swindell stated he can input the data into the GIS system and plot the repairs by color on a map of the District. Mr. Polley stated the Board might want to implement an ongoing maintenance program to address these types of issues. Mr. Bellamy stated that he will send the storm sewer inlet survey results to Mr. Swindell.

Mr. Bellamy then reported that there is a crack in the asphalt jogging trail that is 100 feet long and will cost approximately \$3,000 to fix. Mr. Bellamy stated that the asphalt can also be coated at a cost of \$1.75 per square foot, for a total of approximately \$20,000 for the entire trail.



Mr. Polley stated that Fort Bend County (the "County") is responsible for maintaining the asphalt trail, but getting the County to repair the crack is highly unlikely. Director Svatek stated she would like the crack to be repaired. Director Salmon asked how long the asphalt sealant will typically last. Mr. Swindell stated the asphalt sealant typically lasts five (5) years. Director Salmon stated she would like the crack fixed and the asphalt sealed now. Mr. Polley stated that he can reach out to Fort Bend County Municipal Utility District No. 48 about participating in the cost of fixing the crack and sealing the asphalt, and that he will also send a letter regarding the repair to the County.

Mr. Bellamy next reminded the Board that Hightower High School ("Hightower") has exceeded their water capacity by 3.3 million gallons. Mr. Bellamy stated it has been discovered that Hightower is using a fire hydrant meter to irrigate their sports fields. Mr. Bellamy noted until now, the fire hydrant meter had not been used in two (2) years. Mr. Polley stated that Missouri City and Fort Bend Independent School District are now aware of the issue, but a letter has not yet been sent to Hightower. Mr. Polley stated that he can still send a letter regarding the usage to Hightower, or he can wait and watch the usage amount. Mr. Bellamy stated that MDS can perform a customer service inspection to inspect the area and fire hydrant meter.

Mr. Bellamy then presented Electronic Lockbox Payment Service Documents with Central Bank, including a Resolution Approving ELP Payment Services, an Addendum to MDS Service Agreement, Central Lockbox Processing Agreement and Notice of Termination of Compass Bank Agreement, copies of which are attached hereto. Mr. Bellamy explained that switching to Central Bank will be more efficient for payment processing for MDS. 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 approve the Electronic Lockbox Payment Service Documents with Central Bank, including a Resolution Approving ELP Payment Services, an Addendum to MDS Service Agreement, Central Lockbox Processing Agreement and Notice of Termination of Compass Bank Agreement

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 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.

#### ENGINEER'S REPORT

Mr. Swindell presented the Engineer's Report, a copy of which is attached hereto. Mr. Swindell reported that he received Change Order No. 1, in the amount of \$2,628.18, from Gonzalez Construction Enterprise, Inc., for the construction of water, sanitary and drainage facilities in the Enclave at Lakeshore Harbour.

Mr. Swindell then reported that JCI has inspected the Olympia Estates Ditch and was currently preparing a specification package to submit for bids. However, Mr. Swindell recommended delaying the repairs until after Mr. Glunt completes work on the road across the ditch.

Mr. Swindell next reported that JCI performed a site visit to review the maintenance berm elevations behind Cumberland Drive and Truesdale Drive, north of the tennis courts. Mr. Swindell stated that the berm elevations slope toward the ditch top and undulates frequently between the swale inlets and also drains improperly. Mr. Swindell then stated he cannot recommend replacing the sidewalk right now, and suggested putting the trail project on hold until the District determines the drainage and grading needs. Mr. Swindell requested authorization to perform additional surveying of the area to determine what repairs will be needed, at a cost of \$5,000. Mr. Polley stated that Mr. Swindell has informed Mr. Casey Collins, of Kudela & Weinheimer, landscape architects for the District, that the trail project is on hold for the immediate future.

Mr. Swindell then requested authorization to prepare a Capital Improvement Plan ("CIP") for the District, at a cost of \$5,000. Mr. Swindell stated the CIP will properly identify the infrastructure inventory and repair and maintenance items within the District, and that the CIP will also include any information from Missouri City's CIP.

Mr. Swindell next requested authorization to prepare a Bond Application Report for the District's proposed \$8,630,000 bond issue. Mr. Polley stated that if the Board would like to move forward with a bond authorization election, JCI will also be required to prepare a separate bond election report.

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 Engineer's Report, approve the following: 1) Change Order No. 1, in the amount of \$2,628.18, from Gonzalez Construction Enterprise, Inc., for the construction of water, sanitary and drainage facilities in the Enclave at Lakeshore Harbour; 2) authorize preparation of the CIP; 3) authorize preparation of the Bond Application Report; 4) authorize the sidewalk/maintenance berm survey; and 5) authorize preparation of a bond authorization election report.

#### AUTHORIZE ANNUAL REVIEW OF POST-ISSUANCE DEBT COMPLIANCE POLICY CHECKLIST ("PICP CHECKLIST")

Mr. Polley reminded the Board that according to the Resolution Adopting Amended Post - Issuance Tax-Exempt Debt Compliance Policies, an annual review of the PICP checklist was necessary. Mr. Polley stated that his office would complete the PICP checklist and distribute to the Board and consultants for approval at the next meeting. 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 authorize annual review of the PICP checklist.

#### ATTORNEY'S REPORT

Mr. Polley stated that he had nothing further to report.

## UPDATE ON RECREATIONAL FACILITIES

Director Salmon reported she received a proposal from Yellowstone Landscape for maintenance of the flower beds along the jogging trail and that she has not yet contacted Park Rangers for a proposal. Director Salmon stated she still has questions about the Seaback Maintenance contract and which areas Seaback Maintenance should be mowing and which areas the District should be maintaining. Mr. Swindell then reported that there are some fences along the Lake Shore Harbour Ditch that are leaning that make it difficult for the area to be mowed. Mr. Swindell suggested that Mr. Polley send the residents a letter regarding properly maintaining their fences. Mr. Polley stated he can send the letters once he has received the resident's addresses with the leaning fences.

Mr. Swindell next reported that a District resident may be backwashing his swimming pool into the District's ditch, which will have to be reported to the Texas Commission on Environmental Quality. Mr. Swindell stated that MDS will need to inspect the pipe to determine precisely what it is. Mr. Swindell explained that there is no issue if it is just an area drain, but if it is a backwash pipe from a pool, then the resident will have to reroute the pipe or have their water turned off.

## EXECUTIVE SESSION

Mr. Polley then adjourned the regular meeting at 2:30 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. Swindell, Mr. Saenz, 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 3:16 p.m., at which time the following action was taken: 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 following items: 1) a final offer of \$150,000 for the 8.463-acre pond tract located north of the Olympia Estates Ditch and east of the Mustang Bayou Diversion Channel; and 2) authorize JCI to obtain a soil sample of the 8.463-acre pond tract through MDS, at a cost not to exceed \$3,000.

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. Ms. Miller stated that the Applications for Place on Ballot (the "Applications") for Directors Cogan and Svatek have been submitted and accepted, and that no other Applications have been received. Mr. Polley reminded the Board that the deadline to submit an Application is Monday, August 20, 2018 at 5:00 p.m.


MISCELLANEOUS MATTERS

Mr. Polley next reported that he recently received an email with an Opinion from the Attorney General regarding the ability for school district employees to receive a salary for serving on a city council, school board or the board of a governmental entity. Mr. Polley explained that the constitutional provision does not apply to teachers, but non-teacher school district employees are not eligible to receive a per diem for serving on the board of a governmental entity. Mr. Polley stated that this provision will affect Director Glenn Murray since he is employed by Fort Bend Independent School District in the IT department. Mr. Polley further stated he has spoken to Director Murray about the issue, and explained to him that he may still serve on the Board, but he will no longer be eligible to receive a per diem for his attendance at District meetings and events.

Mr. Polley then reported that the next regular meeting would be held on Wednesday, September 19, 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 19<sup>th</sup> day of September, 2018.



  
Secretary, Board of Directors