

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
May 15, 2019

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 15, 2019; whereupon, the roll was called of the members of the Board, to-wit:

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

All members of the Board were present, except Director Salmon, thus constituting a quorum. Also attending the meeting were: Ms. Lori Buckner of Myrtle Cruz, Inc., bookkeeper for the District; Messrs. Stephen Swindell, P.E., and Victor Saenz, E.I.T., of Jones|Carter, Inc., engineers for the District; Ms. Rebecca Marcucci of Municipal District Services, LLC, operator for the District; Messrs. Bill Blich and George Blich of Blich Associates, Inc., financial advisors for the District and Bob Leared Interests, tax assessor/collector for the District; Mr. Shane Stuckey of Stuckey's Contract Services; 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; and Mr. Jonathan D. Polley, attorney, Ms. Monica Garza, attorney, 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 April 17, 2019 and the special meetings of April 1, 2019 and April 15, 2019 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 17, 2019 and the special meetings of April 1, 2019 and April 15, 2019, as written.

## DEVELOPER'S REPORT

Mr. Glunt first reported that there are three (3) empty lots remaining in Olympia Estates, Section 9. Mr. Glunt next reported that 22 homes are under construction in Olympia Estates, Section 10. Mr. Glunt also reported the paving crew is currently working in Olympia Estates, Section 11 and should be completed by the end of the month.

Director Svatek reported there are currently four (4) homes under construction in the Enclave at Lake Shore Harbour.

Mr. Lucyk then reported he will be taking the 8.6782-acre Equity Trust Company Tract to Missouri City's City Council for re-zoning.

## TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Bill Blich presented the Tax Assessor/Collector's Report for the month of April, a copy of which is attached hereto. Mr. Bill Blich reported the District has collected 97.964% of its 2018 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.

## 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 also presented a draft budget for the fiscal year ending June 30, 2020, and stated that she has received comments back from all of the District's consultants. Ms. Buckner noted the budget will need to be adopted at the June Board meeting. 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.

## ENGINEER'S REPORT

Mr. Swindell presented the Engineer's Report, a copy of which is attached hereto. Mr. Swindell presented Pay Estimate No. 3, from S. Thomas Construction, LLC, in the amount of \$208,141.56 for Olympia Estates, Section 11 water, sewer and drainage facilities. Mr. Swindell also presented an updated District boundary map to include the recent 8.6782-acre Equity Trust Company annexation. Mr. Swindell next reported that the capacity fee checks for Olympia Estates, Section 11 and the Enclave at Lake Shore Harbour have been submitted to Missouri City.

Mr. Swindell then presented two (2) different options for the Bond Application Report (the "BAR") as discussed at the April Board meeting. Mr. Swindell stated the first option includes reimbursement of all developer items within the District, which would create a total bond issue requirement of \$9,682,481 and leave the District with a bond authorization deficit of \$717,481. Mr. Swindell then stated that the second option removes Olympia Estates, Section 11,

Venetian Village and the Enclave at Lake Shore Harbour, which would create a total bond issue requirement of \$5,223,796 and leave the District with \$3,741,204 in remaining bond authorization. Mr. Swindell next stated that if the Board decides to proceed with the second option, then a subsequent bond issue would be needed to reimburse for Olympia Estates, Section 11, Venetian Village and the Enclave at Lake Shore Harbour, which would have a total bond requirement of \$4,745,161 and leave the District with a bond authorization deficit of \$1,003,957. Mr. Polley stated the Board will need to select an option because the Bond Election did not pass. Mr. Polley further stated he recommends authorizing the entire remaining bond authorization amount right now, and then breaking the issuance of the bonds up over time.

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: 1) approve the Engineer's Report; 2) concur with payment of Pay Estimate No. 3, from S. Thomas Construction, LLC, in the amount of \$208,141.56 for Olympia Estates, Section 11 water, sewer and drainage facilities; and 3) authorize the Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Fourth Issue of Bonds, up to \$8,965,000.

### OPERATOR'S REPORT

Ms. Marcucci presented the Operator's Report, a copy of which is attached hereto. Ms. Marcucci noted the District currently serves 732 active connections and 139 District residents have registered to receive priority messaging updates. Ms. Marcucci also reported on the various repairs and maintenance/action items completed within the District during the month. Ms. Marcucci further reported that 29 accounts were terminated due to non-payment. Ms. Marcucci also distributed the draft 2018 Consumer Confidence Report ("CCR") to the Board, a copy of which is attached hereto. Ms. Marcucci stated the 2018 CCR will be posted on the District's website. Ms. Marcucci next stated the District should consider installing an ultrasonic lift pump controller at Lift Station No. 1 to prevent possible future overflows. Ms. Marcucci noted that an ultrasonic lift pump controller can be installed for \$6,000.

Upon motion by Director Murray, seconded by Director Svatek, after full discussion and the question being put to the Board, the Board voted unanimously to: 1) approve the Operator's Report and authorize termination of service for the delinquent accounts listed in the report in accordance with the provisions of the District's Rate Order; 2) approve the filing and distribution of the 2018 CCR; and 3) authorize the installation of an ultrasonic lift pump controller at Lift Station No. 1, in an amount not to exceed \$6,000.

### 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 \$6,429 to \$7,342, for an increase of \$913 from the previous year. Mr. Polley stated the Board can accept the insurance renewal proposal, or request that RBAP obtain additional insurance proposals for the June Board meeting. 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 insurance renewal proposal.

## DRAINAGE FACILITY MAINTENANCE REPORT

Mr. Stuckey presented the Drainage Facility Maintenance Report, a copy of which is attached hereto. Mr. Stuckey reported the overseeding and herbicide application have been completed and that mowing will occur today. Mr. Stuckey then reported that trees are hanging over the Cumberland Ditch and he would like to have them trimmed to allow for proper mowing access. Mr. Stuckey also reported that he is ready to move forward with the Olympia Estates ditch slope repairs that were approved last year. Mr. Stuckey requested an agenda item to approve the slope repairs at the June Board meeting. Mr. Polley asked if Mr. Stuckey anticipates any quantity adjustments for the slope repairs due to installation of the road. Mr. Stuckey stated the previous proposal was for a 70% rework, but now a total rework is required so the price will increase. Mr. Polley then asked the Board if they would like a new proposal next month or if Mr. Stuckey should provide a change order if the price increases. The Board concurred to move forward with the project and anticipate a change order if necessary. Mr. Stuckey next reported that he would like to send a letter to residents in Lake Shore Harbour regarding the removal of fence supports along the ditch. Mr. Stuckey stated he has provided a copy of the letter to Mr. Polley for review. Mr. Stuckey further stated that he has taken pictures of the fence supports and matched them up with five (5) specific homes.

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: 1) approve the Drainage Facility Maintenance Report; 2) authorize trimming trees hanging over the Cumberland Ditch; and 3) authorize Mr. Stuckey to send a letter to five (5) Lake Shore Harbour residents regarding the removal of fence supports along the ditch.

## ATTORNEY'S REPORT

Mr. Polley then distributed to each Board member a copy of the April Legislative Update memorandum for the 86th Legislative Session and reviewed it with the Board. A copy of the memorandum is attached hereto.

Mr. Polley next reviewed a handout regarding the Association of Water Board Directors Water Smart program. Mr. Polley stated that the deadline for enrollment for 2019 has passed, but that he will put an item on the agenda for the October Board meeting to discuss enrollment for 2020.

Mr. Polley then reviewed a handout regarding the Texas Comptroller's Transparency Stars program. Mr. Polley stated the District can apply for the Traditional Finances certification, which requires the posting of certain financial information on the District's website. Mr. Polley further stated that his office can start working on gathering the required financial information.

## RECREATIONAL FACILITIES

Mr. Polley reported that Mr. Casey Collins sent a status update email to the Board prior to the Board meeting. Mr. Polley stated that Mr. Collins is working with Missouri City regarding the guardrail issue.

SUPPLEMENTAL NOTICE OF PUBLIC MEETING

ORDER CANVASSING RETURNS AND DECLARING RESULTS OF BOND ELECTION ("ORDER CANVASSING RETURNS"); AUTHORIZE PAYMENT TO FORT BEND COUNTY FOR JOINT ELECTION COSTS

The Canvassing Board acknowledged an election was held on Saturday, May 4, 2019, regarding whether to authorize the District to issue bonds in the aggregate amount of \$30,000,000. The Canvassing Board then examined the results of the election as submitted by the Presiding Judge as follows:

|         |          |
|---------|----------|
| FOR     | 20 votes |
| AGAINST | 21 votes |

Based on the returns of the election, the Canvassing Board determined the District has not been authorized to issue additional bonds in the aggregate amount of \$30,000,000.

Mr. Polley then stated the Board would need to authorize the final payment to Fort Bend County for expenses related to the joint election conducted by Fort Bend County. Mr. Polley noted the final invoice has not yet been received from Fort Bend County.

Upon motion by Director Cogan, seconded by Director Ford, after full discussion and the question being put to the Board, the Canvassing Board voted unanimously to: 1) adopt the Order Canvassing, a copy of which is attached hereto; and 2) authorize payment to Fort Bend County for expenses related to the joint election conducted by Fort Bend County.


Mr. Polley next stated that the Board will need to decide whether or not to hold another bond election. Discussion regarding another bond election ensued. Mr. Polley advised the Board that an order calling a bond election for November 2019, would need to be adopted at their July regular meeting or at a special meeting in early August if the Board desires a November 2019 election.

MISCELLANEOUS MATTERS

Mr. Polley then reminded the Board that the next regular meeting would be held on Wednesday, June 19, 2019, 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 June, 2019.



  
\_\_\_\_\_  
Secretary, Board of Directors