

MINUTES OF MEETING OF THE  
BOARD OF DIRECTORS  
June 19, 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, June 19, 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 Directors Salmon and Murray, 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 ("MDS"), 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. 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. Casey Collins of Halff Associates, Inc., landscape architects for the District; 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 May 15, 2019 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 May 15, 2019, as written.

## DEVELOPER'S REPORT

Mr. Ungar first reported that LSH, Section 7 has six (6) homes built and 28 vacant lots. Mr. Ungar stated that LSH, Section 7 should be completely built out by the end of the year.

Mr. Glunt then reported that there is one (1) empty lot remaining in Olympia Estates, Section 9 and 32 homes are under construction in Olympia Estates, Section 10. Mr. Glunt also reported the utilities and paving in Olympia Estates, Section 11 are almost complete with the exception of a 30-foot long (30') section of pavement.

## TAX ASSESSOR/COLLECTOR'S REPORT

Mr. Bill Blich presented the Tax Assessor/Collector's Report for the month of May, a copy of which is attached hereto. Mr. Bill Blich reported the District has collected 98.512% 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.

## FINANCIAL ADVISOR'S REPORT

Mr. Bill Blich then reported that he reassessed the debt service schedule on the upcoming bond issue and determined that capitalized interest will not be needed. Mr. Bill Blich stated that the dollar amount for capitalized interest included in the Bond Application Report ("BAR") can be moved to other construction projects. Mr. Bill Blich further stated the debt service tax rate can be decreased to \$0.53 and the operations and maintenance tax rate can be increased to \$0.35, and the total tax rate can still be decreased.

## 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 for adoption at today's meeting. Mr. Bill Blich noted the maintenance and operation tax revenue can be increased to \$600,000. Ms. Buckner noted that she added a line item for shared joint facilities costs between the District, Fort Bend County Municipal Utility District No. 48 ("MUD 48") and Fort Bend County Municipal Management District No. 1 ("MMD 1"). Mr. Polley explained that the District is required to send its budget to MUD 48 and MMD 1 60 days prior to the District's fiscal year end. Ms. Buckner then stated the line item for MDS operations for Lift Station No. 2 needs to be increased to \$2,400 from \$200. 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 Bookkeeper's Report, the investment report and authorize payment of checks reflected therein; and 2) adopt the budget for the fiscal year ending June 30, 2020, incorporating the changes listed above.

Director Cogan then stated that he would like to revisit the discussion regarding reimbursement for tolls and mileage to and from District meetings. Ms. Buckner stated that most utility districts get reimbursed for mileage and tolls. Mr. Polley stated he would like to review the Resolution Establishing Fees of Office and Reimbursement Policy to determine if an amendment will be necessary. Mr. Polley then stated he will include an agenda item on the July agenda.

### ENGINEER'S REPORT

Mr. Swindell presented the Engineer's Report, a copy of which is attached hereto. Mr. Swindell presented Pay Estimate No. 4 and Final, from S. Thomas Construction, LLC, in the amount of \$88,800.16 for Olympia Estates, Section 11 water, sewer and drainage facilities. Mr. Swindell also reported the updated District boundary map will need to be revised due to an error in the acreage. Mr. Swindell next presented the Notice of Intent and Texas Commission on Environmental Quality Core Data Form for the Municipal Separate Storm Sewer System ("MS4") permit for the Board's approval and execution.

Mr. Swindell then stated he will remove the capitalized interest line item from the BAR and add a storm sewer maintenance project and inspection time. Mr. Swindell explained that these two items will exhaust any remaining bond authorization. Mr. Swindell then stated he will provide the final BAR to Mr. Polley for his review this week.

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 Engineer's Report; 2) concur with payment of Pay Estimate No. 4 and Final, from S. Thomas Construction, LLC, in the amount of \$88,800.16 for Olympia Estates, Section 11 water, sewer and drainage facilities; and 3) approve the Notice of Intent and Core Data Form for the MS4 permit.

### OPERATOR'S REPORT

Ms. Marcucci presented the Operator's Report, a copy of which is attached hereto. Ms. Marcucci noted the District currently serves 755 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 43 accounts were terminated due to non-payment. Ms. Marcucci next reported that MDS received a Public Information Act request for every terminated customer in Fort Bend County. Mr. Polley explained that the request was not directed to the District, so the District does need to respond.

Ms. Marcucci then reported that a request was received from the resident at 2726 Prichard Court to credit a \$150 customer service inspection fee. Ms. Marcucci explained that a cross connection was observed coming from the house which was verified by an MDS employee. Ms. Marcucci stated that once the resident was notified of the issue, the cross connection was removed. Ms. Marcucci further stated that the resident is now upset over the \$150 customer service inspection fee and has been posting about the issue on social media. Ms. Marcucci noted the customer service inspection fee is per the District's Rate Order. Ms. Marcucci also stated she

has spoken with Director Salmon about the issue, and Director Salmon's opinion is to waive the fee. Mr. Cogan asked if it sets a precedent to waive the fee. Mr. Polley stated that there is the potential to set a precedent. Director Cogan suggested reducing the customer service inspection fee to \$75.

Ms. Marcucci next reported that Unified Care Group is on the delinquent list again. Ms. Marcucci stated that MDS has attempted contact by phone, email and in person and finally contacted someone regarding the delinquent bills. Ms. Marcucci then stated that as of today's meeting, the delinquent bills have not been paid. Ms. Marcucci recommended following the District's Rate Order regarding termination of service. Mr. Polley stated that he sees no reason not to follow the terms of the District's Rate Order.

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: 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; and 2) decrease the customer service inspection fee for 2726 Prichard Court to \$75.

#### MISSOURI CITY JOINT FACILITIES REPORT

Mr. Polley reported the meeting with Missouri City regarding joint facilities has not been rescheduled from last month. Director Cogan asked that he be notified when the meeting is rescheduled so that he can attend.

#### BOND AUTHORIZATION ELECTION

Mr. Polley next stated the Board will need to decide when to hold another bond authorization election. Mr. Polley suggested holding the bond authorization election in November 2019 so another bond authorization election can be held in May 2020 in the event the election fails to pass. Director Cogan asked if a bond authorization election has a better chance of passing with a smaller authorization amount. Mr. Polley stated that a smaller authorization amount could potentially have an impact. Director Svatek suggested going with \$30 million in November 2019, and then decreasing the authorization for a May 2020 election if the November 2019 election does not pass. Discussion regarding the potential bond authorization election ensued. Mr. Polley then stated that the bond authorization election will need to be called at the July Board meeting if the Board desires to hold an election in November 2019.

#### ATTORNEY'S REPORT

Mr. Polley reported that the 86th Legislative Session has concluded and a comprehensive Legislative Memorandum will be distributed in July.

Mr. Polley next reported that RBAP is working on compiling the information needed for the Texas Comptroller's Transparency Stars program. Mr. Polley stated that RBAP will be contacting Ms. Buckner for additional information. Mr. Polley then stated that it is his goal to get the information on the District's website prior to the bond authorization election.

Mr. Polley also reported that McCall Gibson Swedlund Barfoot PLLC ("MGSB") sent an audit continuance letter regarding preparation of the District's audit for the fiscal year ending June 30, 2019. Mr. Polley explained that the District has an evergreen engagement letter with MGSB and the fee range for audit preparation falls within that engagement letter.

RECREATIONAL FACILITIES

Mr. Collins reported the District's Phase 1 Trail Project made it through the first round of permit plan reviews with minor comments. Mr. Collins stated that he addressed the comments and resubmitted the plans yesterday. Mr. Collins then stated that he anticipates a turnaround time of about a week, and then the project will be ready to bid. Mr. Collins noted that the project is about two (2) weeks behind schedule but he still anticipates being complete before the end of the year. Mr. Polley asked if the Board can anticipate bids at the July Board meeting. Mr. Collins stated that he will have the bids at the August Board meeting.

MISCELLANEOUS MATTERS

Mr. Polley then asked the Board if they would be interested in annexing a piece of property owned by Skymark Development located off of Murphy Road. Mr. Ungar stated that he is talking to Missouri City about service to the property. Mr. Ungar then stated that Skymark has owned the 38-acre piece of property for about 18 years but the area has not had the growth that was anticipated. Mr. Ungar further stated that Skymark plans to develop the tract into townhomes and apartments and that all utilities are already in place. Mr. Ungar then asked if the District would consider annexing the tract. Mr. Polley stated that the tract would have significant taxable value and the potential reimbursement would be the impact fee and some of the internal distribution and collection system. Director Cogan asked if the tract would be a Missouri City retail customer. Mr. Polley stated the tract would be a Missouri City retail customer. Director Cogan asked that the matter be deferred until Director Salmon is in attendance. Mr. Polley stated that he will put an item on the July agenda.

Mr. Polley then reminded the Board that the next regular meeting would be held on Wednesday, July 17, 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 17<sup>th</sup> day of July, 2019.



Secretary, Board of Directors