

MINUTES

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2

July 18, 2018

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 2 (the "District"), met in regular session, open to the public, on the 18th day of July, 2018, at the Sugar Land Marriott Town Square, 16090 City Walk, in the Burning Pear Restaurant, Sugar Land, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Andre D. McDonald	President
Bryan K. Chapline	Vice President
Glen R. Gill	Secretary

and all of said persons were present, thus constituting a quorum.

Also present for all or part of the meeting were Jorge Diaz of McLennan & Associates, LP; Michelle Guerrero of Bob Leared Interests, Inc.; Jason Klump of Stormwater Solutions, LP; Mike Stone and Phil Martin of Mike Stone Associates, Inc. ("MSAi"); Bob Hodge of Tech3 Business Systems, LLC ("Tech3"); Anthea Moran of Masterson Advisors LLC; Rita Anderson of Freese and Nichols, Inc. ("FNI"); Mike Thelen and Tyler Werlein of LID Solutions, LLC ("LID Solutions"); Jim Moehlman, Michael Rusk, and Craig Kalkomey of LJA Engineering, Inc. ("LJA"); Jorge Alba of the City of Sugar Land (the "COSL"); and David Oliver and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Director McDonald opened the meeting to receive public comments. There being no public comments, Director McDonald closed the meeting to public comments.

CONSENT AGENDA:

Approve Minutes;
Financial and Bookkeeping matters, including Payment of District's Bills; and
Tax Assessment and Collections Matters, including Payment of Tax Bills.

Following review and discussion, Director Chapline moved to approve the items included on the Consent Agenda, including the minutes of the Board's meetings held April 10, April 18, May 2, May 8, May 10, May 16, and June 4, 2018. Director McDonald seconded the motion, which passed by unanimous vote. Copies of the bookkeeper's and tax assessor/collector's reports are included in the attached Board Book.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Mr. Diaz reviewed two additional checks from the District's General Fund, nos. 10768 and 10769, for payment of invoices related to reimbursement of Director conference expenses and taxes for a Director's lot conveyed to the District. Following review and discussion, Director Chapline moved to authorize execution of the additional checks. Director Gill seconded the motion, which was approved by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Guerrero reported that, as stated in a memorandum regarding Annual Tax Abatement Agreement Compliance Review included in the attached Board Book, the District does not have any active Tax Abatement Agreements.

STORM WATER MANAGEMENT PLAN AND PUBLIC COMMENTS

There was no update on the District's Storm Water Management Program in compliance with the Texas Commission on Environmental Quality's Phase II MS4 Permitting requirements.

PARAMETRIC INSURANCE COVERAGE AND DISASTER RELIEF PROGRAM

Mr. Stone and Mr. Martin reported on coordination with FNI and Willis Towers Watson to clarify the proposed payout triggers for rainfall and water surface elevation in Brazos River at the Richmond gauge station to develop parametric insurance coverage for the District. Discussion ensued. Following discussion, Mr. Stone recommended scheduling a workshop meeting on August 1, 2018, to additionally discuss this matter.

GENERAL MANAGER MATTERS

Mr. Stone and Mr. Martin reported on General Manager matters, including the status of current and future District Capital Improvement Plan projects. A copy of the General Manager's report is included in the attached Board Book.

Mr. Martin reported on public communication matters, including additions to the District's website. Mr. Martin stated the draft District summer newsletter is ready for printing, pending the Board's review.

Mr. Martin reported that the District received an award in the Technology Innovation Operations Category presented by the AT&T Government Technology Special Districts Program at the Southwest Regional Summit in Austin, Texas on June 20, 2018.

Mr. Stone reported that a meeting will be scheduled with homeowners to respond to questions regarding flood protection in their neighborhood.

Mr. Stone discussed the District's proposed rehabilitation and improvement project for the District's south and east levees, including the proposed road crossings. He discussed the findings included in FNI's final memorandum regarding the Oyster Creek Risk Assessment, a copy of which is included in the attached Board Book. Following discussion, the Board reconfirmed its intent to move forward with the project and pursue certification of the District's levee facilities.

Mr. Martin reported on the status of the District's pilot project to install articulated concrete block material on top of a portion of the District's west levee from the William "Bill" Little Pump Station to US Highway 59 and project to construct overflow parking at the pump station and an additional levee access point near US Highway 59 ("West Levee Top Armoring Pilot Project"). Mr. Martin stated that a full notice to proceed will be issued to Lecon, Inc. soon. Discussion ensued regarding material options for the project.

Mr. Stone reported on the status of the District's project to rehabilitate Ditches B, B-1, C, C-1, and E, including the COSL's outfall rehabilitation project ("Interior Ditch Rehabilitation Project"). Mr. Stone recommended approval of Pay Estimate No. 1 in the amount \$98,562.92 and Change Order No. 1 to increase the contract in the amount of \$60,005.29, submitted by Texas Wall and Landscape LLC. The Board determined that Change Order No. 1 is beneficial to the District. Mr. Stone additionally recommended approval of a proposal from Storm Water Solutions, LLC for stormwater pollution prevention plan services for the project in an amount not to exceed \$151,070.00. Following review and discussion, Director Gill moved to, pursuant to Mr. Stone's recommendations: (1) approve Pay Estimate No. 1 in the amount of \$98,562.92; (2) approve Change Order No. 1 to increase the contract in the amount of \$60,005.29, submitted by Texas Wall and Landscape LLC, based upon the Board's finding that the Change Order is beneficial to the District; and (3) approve the proposal from Storm Water Solutions, LLC for stormwater pollution prevention plan services in an amount not to exceed \$151,070.00. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Martin discussed the District's Interlocal Agreement for Installation and Maintenance of Seven (7) Gauge Stations with the COSL and requirements for participation in the Harris County Flood Warning System. He recommended approval of six proposals for the purchase of rainfall and stream gauge equipment for the flood monitoring systems to be installed in the District as required for \$4,295.87 per gauge. Following review and discussion, Director Gill moved to approve the purchase of rainfall and stream gauge equipment in the total amount of \$30,125.93, as recommended, subject to receipt of required documentation. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Stone reported that AECOM is scheduled to present a draft Preliminary Engineering Report to include a series of alternatives and preliminary design for the District's proposed third storm water pump station at the August 1, 2018, workshop meeting. Discussion ensued regarding design and permitting for the project.

Mr. Stone reported on the status of Hatch Associates Consultants, Inc.'s preparation of plans and specifications for the pump replacement project at the Michael "Mike" Thelen Pump Station (formerly known as Pump Station F). He stated that the design is behind schedule and anticipated to advertise for bids in approximately three weeks.

Mr. Stone recommended approval of a Master Agreement for Professional Engineering Services with LJA (the "Master Agreement"), Task Order No. 1 to the Master Agreement for general engineering consultation services, and Task Order No. 2 to the Master Agreement for construction management services as the engineer of record for the District's Interior Ditch Rehabilitation and West Levee Top Armoring Pilot Projects. Copies of the Master Agreement and task orders are included in the attached Board Book.

Discussion ensued regarding a proposed transition process for District engineering services and the Board's expectations. Additional discussion ensued regarding revisions to the District's Standard Form of Agreement for Professional Services with Costello, Inc. ("Professional Services Agreement"). Following review and discussion, Director Gill moved to: (1) authorize execution of the Master Agreement and Task Order Nos. 1 and 2, with LJA, as recommended; (2) designate LJA as the District's engineer of record and Mr. Kalkomey as the District's project engineer; (3) authorize execution of letters to the Texas Commission on Environmental Quality and the U.S. Environmental Protection Agency designating Mr. Kalkomey as the District's agent for purposes of communications on District engineering matters; and (4) authorize MSAi and ABHR to coordinate with Costello, Inc. on revisions to its Professional Services Agreement to rescind services related to acting as the District's engineer of record. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Martin reported on District operation and maintenance activities, including the status of work orders, and responded to Board members' questions. He stated the cost of painting and decal installation for the District's high water emergency vehicle is approximately \$10,000.00.

Mr. Martin reviewed Tech3 Sales Order 18-02a containing options for replacing the digital video recorder for the closed circuit television system at the William "Bill" Little Pump Station and installing backup image storage for the William "Bill" Little Pump Station and the Michael "Mike" Thelen Pump Station. A copy of the sales order is included in the attached Board Book. Following review and discussion, Director

Chapline moved to approve all of the options included in Tech3 Sales Order 18-02a in the amount of \$42,122.30. Director Gill seconded the motion, which was approved by unanimous vote.

Ms. Anderson reported on updates made to the District's Emergency Preparedness Plan. Discussion ensued regarding revisions to the plan.

Mr. Martin reported on Hurricane Harvey after-action plan matters, including the current schedule and cost estimates for capital improvement plan projects included in the attached Board Book.

Mr. Martin stated that monthly inspection reports for the First Colony - Missouri City (also known as SugarStone) perimeter levee system are included in the attached Board Book. He reported that the next meeting of the participants in the perimeter levee system will be held July 31, 2018.

Mr. Martin reported on the status of HR Wallingford Group Ltd.'s Phase 2 fragility, reliability, and resiliency analyses of the District's levee system.

Mr. Martin reported that LID Solutions is estimating labor costs, producing setup notes, and marking pump installation points for the District's irrigation plan for the District's north and west levees.

There was no update on the District's proposed participation in the United States Army Corps of Engineers' ("USACE") Silver Jackets program or Ditch H matters.

DISTRICT FINANCE PLAN

Mr. Stone reviewed an updated capital improvement plan and cash flow curve included in the attached Board Book.

OPERATION OF DISTRICT FACILITIES

There was no additional discussion regarding the operation of District facilities. A copy of the operator's report is included in the attached Board Book.

ENGINEERING MATTERS

The Board discussed USACE's final report on the Initial Eligibility Inspection of the First Colony - Missouri City (also known as SugarStone) perimeter levee for the Rehabilitation and Inspection Program. Mr. Martin stated that necessary corrective actions for the District's facilities have been completed and will be reported to USACE. Director McDonald requested that MSAi and ABHR coordinate on submitting a letter to USACE to request correction of errors included in the final report.

DEEDS, EASEMENTS, RIGHT OF ENTRY, AND ENCROACHMENTS

Mr. Martin reported that all of the District's requirements pursuant to the Storm Sewer Easement granted for FRC Sugarland, LLC's development project at State Highway 90A and Ditch H have been met. He recommended reimbursing LINCO Construction Company \$7,500.00 deposited for the easement. Following discussion, Director Chapline moved to reimburse LINCO Construction Company \$7,500.00 for the Storm Sewer Easement deposit, as recommended. Director Gill seconded the motion, which was approved by unanimous vote.

CONFERENCES AND LEGISLATIVE MATTERS

The Board reviewed a calendar of upcoming conferences and discussed legislative and regulatory development matters related to federal levee, floodplain management, and flood insurance matters with potential significant impacts on Fort Bend County levees. Mr. Stone reported on the District's scheduled presentations at the Texas Floodplain Managers Association Fall Conference and the Association of State Dam Safety 2018 Conference.

Director McDonald discussed the National Association of Flood and Stormwater Management Agencies Annual Meeting held July 10 - 12, 2018.

MEETING SCHEDULE

The Board concurred to hold regular meetings at 8:30 a.m. on August 1 and 15, 2018.

CONVENE EXECUTIVE SESSION

The Board did not convene in executive session.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)





Secretary, Board of Directors

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