

MINUTES

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2

August 15, 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 15th day of August, 2018, at the William "Bill" Little Pump Station (aka Pump Station A), 4435 Greystone Way, 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; Brenda McLaughlin of Bob Leared Interests, Inc.; David Beyer and Jason Klump of Stormwater Solutions, LP; Mike Stone, Phil Martin, and Sherrie Knoepfel of Mike Stone Associates, Inc. ("MSAi"); Karin Jacoby of Husch Blackwell LLC by teleconference; Bob Hodge and Andrew Nugent of Tech3 Business Systems, LLC ("Tech3"); Russell Jones of The Holoway Jones Law Firm, PLLC; Rita Anderson of Freese and Nichols, Inc. ("FNI"); Mike Thelen and Tyler Werlein of LID Solutions, LLC ("LID Solutions"); Craig Kalkomey of LJA Engineering, Inc. ("LJA"); and David Oliver and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

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 Gill moved to approve the items included on the Consent Agenda, including the minutes of the Board's meetings held July 18, and August 1, 2018. Director Chapline 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

There were no additional financial or bookkeeping matters.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2019

The Board reviewed copies of a draft General Fund Operating Budget and a draft Capital Improvement Fund Budget for fiscal year ending September 30, 2019. Discussion ensued regarding amending the District's current budget for fiscal year end September 30, 2018. Following review and discussion, the Board concurred to schedule a budget workshop at 8:30 a.m. on September 5, 2018, at the William "Bill" Little Pump Station.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There were no additional tax assessment or collection matters.

DISTRICT FINANCE PLAN

Mr. Stone reviewed an updated capital improvement plan and cash flow curve included in the attached Board Book. Discussion ensued regarding the District's anticipated 2018 tax rate. Following discussion, the Board concurred to additionally discuss the District's finance plan during the September 5, 2018, workshop meeting.

GENERAL MANAGER MATTERS: PUBLIC COMMUNICATION MATTERS

Ms. Knoepfel reported on public outreach initiatives. She discussed proposed articles for the District's newsletter, including responsible parties for preparation of the articles and the schedule for completing them. Discussion ensued regarding additional proposed newsletter articles. Following discussion, Ms. Knoepfel stated she will update the list of newsletter articles and distribute the list to the Board.

Ms. Knoepfel reported on her District outreach efforts to Homeowners Associations ("HOA") and community organizations within the District and discussed opportunities for placing District articles or advertisements in HOA newsletters and/or on HOA websites. Discussion ensued regarding proposed public outreach initiatives for the District, including public speaking and event opportunities and efforts to obtain additional registrations for the District's email and text alert systems. Additional discussion ensued regarding the District's signage requirements. Following discussion, the Board authorized Ms. Knoepfel to obtain additional information regarding procedures and costs for placing articles in the First Colony Community Association newsletter and the *Fort Bend Independent*, insert mailings in the District's tax bills, and direct mailings. Mr. Stone stated that a line item will be included in the District's budget for public communications for discussion at the budget workshop scheduled September 5, 2018.

STORM WATER MANAGEMENT PLAN AND PUBLIC COMMENTS

Mr. Beyer updated the Board on the District's Storm Water Management Program in compliance with the Texas Commission on Environmental Quality's Phase II MS4 Permitting requirements. He reported on the anticipated schedule for adopting an updated stormwater manual and permit renewal.

PARAMETRIC INSURANCE COVERAGE AND DISASTER RELIEF PROGRAM

Ms. Jacoby reported on coordination with MSAi, 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 price parametric insurance coverage for the District. She discussed two proposed parametric insurance coverage options with specific triggers and corresponding indicative pricing options and payout scenarios. Discussion ensued regarding the proposed options and the option of establishing a temporary self-funded disaster relief fund. Following discussion, the Board concurred to additionally discuss parametric insurance coverage and disaster relief program options during the September 5, 2018, workshop.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Mr. Stone reported that the District's insurance policies expire October 13, 2018. He stated an application for renewal of the District's Aviation Insurance Policy for Unmanned Aircraft Systems is included in the attached Board Book. Following review and discussion, Director Chapline moved to authorize execution of the aviation insurance renewal application and obtaining an insurance renewal proposal for the District's insurance policies from the District's current insurance providers. Director Gill seconded the motion, which was approved by unanimous vote.

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 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 (the "West Levee Top Armoring Pilot Project"). Mr. Martin reviewed and recommended approval of Change Order Nos. 1 and 2 to the contract with Lecon, Inc. for the West Levee Top Armoring Pilot Project to decrease the contract in the amount of \$5,410.00, and increase the contract in the amount of \$41,382.00, respectively. The Board determined that Change Order Nos. 1 and 2 are beneficial to the District. After review and discussion, Director Chapline moved to approve Change Order No. 1 in the

amount of \$5,410.00 as a decrease, and Change Order No. 2 in the amount of \$41,382.00 as an increase to the contract with Lecon, Inc., based upon the Board's finding that the change orders are beneficial to the District and the General Manager's recommendations. Director Gill seconded the motion, which passed by unanimous vote. Copies of the change orders are included in the attached Board Book.

Mr. Martin reported on the status of the District's project to rehabilitate Ditches B, B-1, C, C-1, and E, including the City of Sugar Land's (the "COSL") outfall rehabilitation project (the "Interior Ditch Rehabilitation Project"). Video footage of the construction site was presented. Mr. Martin reviewed and recommended approval of Pay Estimate No. 2 in the amount \$311,782.32 and Change Order No. 2 to the contract with Texas Wall and Landscape LLC for the Interior Ditch Rehabilitation Project to increase the contract in the amount of \$24,809.40. The Board determined that Change Order No. 2 is beneficial to the District. Mr. Martin reported that the District's invoice nos. 1 and 2 to the COSL for the COSL's portion of the contract are included in the Board Book. Discussion ensued regarding options for materials for the outfall pipes. After review and discussion, Director Chapline moved to approve: (1) Pay Estimate No. 2 in the amount of \$311,782.32; and (2) Change Order No. 2 in the amount of \$24,809.40 as an increase the contract with Texas Wall and Landscape LLC, based upon the Board's finding that the change order is beneficial to the District and the General Manager's recommendation. Director Gill seconded the motion, which passed by unanimous vote. Copies of the pay estimate and change order are included in the attached Board Book.

Mr. Martin discussed the District's proposed rehabilitation and improvement project for the District's south and east levees, including the proposed road crossings. Mr. Kalkomey reported on design considerations related to a proposed freeboard analysis of the differences between current effective surface water elevations and elevations included in Halff and Associates, Inc.'s preliminary results for the Brazos River Authority's Basin Floodplain Protection Study. Discussion ensued regarding design and permitting for the project.

Mr. Stone updated the Board on AECOM's preparation of a draft Preliminary Engineering Report to include a series of alternatives and preliminary design for the District's proposed third storm water pump station and ancillary facilities. He discussed design considerations, including capacity range options for the pumps and costs related to the ultimate size of the pump station. Discussion ensued regarding design, permitting, and right-of-way acquisition for the project. Additional discussion ensued regarding options for increasing storage within the District. Following discussion the Board concurred to additionally discuss the District's proposed third storm water pump station and ancillary facilities during the September 5, 2018, workshop.

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 (aka Pump Station F). Mr. Stone stated that the design is behind schedule and the project is anticipated to advertise for bids in approximately three weeks.

Mr. Martin recommended approval of six revised proposals for the purchase of rainfall and stream gauge equipment as required pursuant to the District's Interlocal Agreement for Installation and Maintenance of Seven (7) Gauge Stations with the COSL and participation in the Harris County Flood Warning System. Copies of the proposals are included in the attached Board Book. Mr. Martin stated the proposals were revised after a field visit conducted with representatives of the COSL and the Harris County Flood Control District. Following review and discussion, Director Chapline moved to approve the six revised proposals in an amount not to exceed \$45,000.00. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Martin recommended approval of Task Order No. 3 to the District's Master Agreement for Professional Engineering Services with LJA (the "Master Agreement") for design phase services for electrical facilities for camera and gauge sites in an amount not to exceed \$20,000.00 and surveying services for gauge installations in the amount of \$9,000.00 related to the District's participation in the Harris County Flood Warning System. A copy of the task order is included in the attached Board Book. Following review and discussion, Director Chapline moved to approve the task order as presented. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Martin stated that FNI's hydrologic and hydraulics analyses of the District's drainage system will be discussed during the September 5, 2018, workshop.

Mr. Martin reported on District operation and maintenance activities, including the status of work orders and repairs made to the air conditioning system at the Michael "Mike" Thelen Pump Station, and responded to Board members' questions.

Mr. Martin recommended approval of Tech3 Sales Order 18-02B for the installation of four fixed cameras for the gauges at Ditches A, F, and H in the amount of \$9,704.57 and Tech3 Sales Order 18-02C for the installation of two cameras at the Michael "Mike" Thelen Pump Station in the amount of \$6,238.00. Copies of the sales orders are included in the attached Board Book. Mr. Martin recommended that the Board approve the installation of conduit and conductors for the cameras to be installed at the pump station by McDonald Electric in an amount not to exceed \$5,145.00. Following review and discussion, Director Gill moved to approve Tech3 Sales Orders 18-02B and 18-02C and McDonald Electric's performance of the related electrical work, as recommended. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Stone reported that a temporary electrical pole installed in the District's levee

by a contractor for the COSL's Amil Gates project will be removed soon.

The Board discussed matters related to the First Colony - Missouri City (also known as SugarStone) perimeter levee system participants meeting held July 31, 2018.

Mr. Martin stated that he will follow up 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 performing tests for the irrigation plan for the District's north and west levees on August 27, 2018.

Ms. Anderson reported on updates made to the District's Emergency Preparedness Plan ("EPP"). She stated that the EPP is being printed and will be distributed soon. Discussion ensued regarding a request for a copy of the EPP made by Jorge Alba of the COSL and distribution procedures for the EPP.

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

The Board discussed the impact of Fort Bend County Drainage District's erosion repairs to the side slopes of Ditch H and anticipated future erosion repairs for Ditch H.

AMENDED CONTRACT WITH LID SOLUTIONS

Mr. Beyer discussed proposed amendments to the District's Amended and Restated Operation and Maintenance Service Contract with LID Solutions concerning the lease and purchase of the high water vehicle for use in the District and LID Solutions' increased insurance costs. Discussion ensued regarding the District's proposed purchase of the high water vehicle from LID Solutions. Following discussion, the Board concurred to table this item, pending review of additional information.

OPERATION OF DISTRICT FACILITIES

Mr. Thelen reviewed the operator's report, a copy of which is included in the attached Board Book. He discussed routine operating, maintenance, repair, and inspection matters. He reported on monitoring of activities occurring within the District's right-of-way and responded to Board members' questions.

ENGINEERING MATTERS

Mr. Kalkomey reviewed a draft response to the 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. A copy of the draft response is included in the attached Board Book.

Mr. Kalkomey reported on two proposed sanitary sewer construction projects to be performed by the COSL within existing utility easements located inside the Texas Department of Transportation's right-of-way. He stated that the construction projects will be monitored.

DEEDS, EASEMENTS, RIGHT OF ENTRY, AND ENCROACHMENTS

There was no discussion regarding this item.

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 his proposed attendance at the Galveston USACE and Texas AgriLife Public Policy meeting. Following discussion, Director Gill moved to authorize Director McDonald's attendance at the meeting. Director Chapline seconded the motion, which was approved by unanimous vote.

MEETING SCHEDULE

The Board concurred to hold meetings at 8:30 a.m. on September 5 and 19, 2018, at the William "Bill" Little Pump Station.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 12:15 p.m. to conduct a private consultation with its attorneys to discuss the purchase, exchange, lease, or value of real property pursuant to Section 551.072, Texas Government Code. The Board determined that the attendance in this executive session of Mr. Stone, Mr. Martin, and Mr. Kalkomey was necessary in order for the Board to obtain the necessary legal advice from its attorney, and the Board requested their presence in the executive session.

RECONVENE IN OPEN SESSION

At 12:45 p.m., the Board reconvened in open session. No action was taken.

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

Bryan K. Chrysler

~~Secretary, Board of Directors~~
Vice President

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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