

## MINUTES

### FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2

January 16, 2019

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 16th day of January, 2019, 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/ Assistant Secretary
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 Mark McGrath of McGrath & Co. PLLC; Jorge Diaz of McLennan & Associates, LP; Michelle Guerrero of Bob Leared Interests, Inc.; Mike Stone, Phil Martin, and Phillip Smith of Mike Stone Associates, Inc. ("MSAi"); Russell Jones of The Holoway Jones Law Firm, P.L.L.C.; Eric Burrer of Burrer Engineering; Bob Hodge of Tech3 Business Systems, LLC; David Beyer of Storm Water Solutions, LLC; Mike Thelen, Jason Klump, and Tyler Werlein of LID Solutions, LLC; Craig Kalkomey of LJA Engineering, Inc. ("LJA"); 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.

Director McDonald noted corrections to the minutes included in the Board Book. Following review and discussion, Director Chapline moved to approve the items included on the Consent Agenda, including the minutes of the Board meeting held December 19, 2018, as corrected. Director Gill seconded the motion, which passed by unanimous vote. Copies of the minutes and the bookkeeper's and tax assessor/collector's reports are included in the attached Board Book.

## APPROVE AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2018

Mr. McGrath reviewed a draft of the District's audit for fiscal year ended September 30, 2018. After review and discussion, Director Chapline moved to approve the audit, subject to final review and comment, and authorize execution of the management representation letter. Director Gill seconded the motion, which was approved by unanimous vote.

## ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Mr. Diaz presented one additional invoice from the General Fund for payment of annual audit fees in the amount of \$13,500.00. Following review and discussion, Director Chapline moved to authorize payment of the additional invoice. Director Gill seconded the motion, which was approved by unanimous vote.

## ANNUAL DISCLOSURE STATEMENTS

Mr. Oliver reported that in accordance with the District's Investment Policy, the District's bookkeeper and Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. He stated that the disclosure statements are filed annually with the Texas Ethics Commission. Following review and discussion, Director Chapline moved to accept the annual disclosure statements of the bookkeeper and Investment Officer, and direct that the disclosure statements be filed appropriately and retained in the District's official records. Director Gill seconded the motion, which was approved by unanimous vote.

## ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Oliver reported on the District's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

## ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Oliver responded to Board members' questions regarding the District's participation in the City of Sugar Land's Tax Reinvestment Zone No. 1. Ms. Guerrero responded to Board members' questions regarding the District's delinquent tax accounts.

## EDUCATION/TRAINING COMPLIANCE STATUS FILING

The Board reviewed the Directors' education training hours for 2018. Following review and discussion, Director Chapline moved to authorize submittal of the Directors' education training hours to the Fort Bend County Drainage District as

required, subject to final review. Director Gill seconded the motion, which was approved by unanimous vote.

#### STORM WATER MANAGEMENT PLAN, TRAINING, AND PUBLIC COMMENTS

Mr. Beyer discussed implementation of the District's Storm Water Management Program in compliance with the Texas Commission on Environmental Quality's ("TCEQ") Phase II MS4 Permitting requirements. He reported that he is preparing the District's annual report for the fifth year of the current permit term. He stated that the TCEQ is anticipated to approve a new five-year permit term soon. He stated that he will present a proposal and contract for preparing and implementing the District's new Storm Water Management Program for the new permit term at the February regular meeting of the Board. He stated that he does not anticipate an increase in the District's budget for preparation or implementation of the program. Mr. Beyer responded to questions regarding the anticipated requirements for the new permit term.

#### 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 responses to public communications regarding an Emergency Operations Update distributed to the District's website subscribers. Discussion ensued regarding proposed graphics and website links to include in such communications.

Mr. Martin discussed coordination with ABHR on an easement required for establishing an art and statue trail near Brooks Lake and the north levee in coordination with other local organizations.

Mr. Stone and Mr. Martin discussed a draft outline for a proposed newsletter providing an annual report of the District's activities. Mr. Smith presented proposed options for a mission statement for the District to include in the newsletter for Board review and comment. He discussed additional information to be gathered for the newsletter.

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"). Mr. Stone discussed delays in the project schedule. Mr. Martin reviewed and recommended approval of Pay Application No. 7 in the amount of \$301,180.99, payable to Texas Wall and Landscape LLC. After review and discussion, Director Chapline moved to approve Pay Application No. 7 in the amount of \$301,180.99, payable to Texas Wall and Landscape LLC for the Interior Ditch Rehabilitation Project. Director Gill seconded the motion,

which passed by unanimous vote. A copy of the pay application is included in the attached Board Book.

Mr. Stone and Mr. Martin reported on the status of AECOM's design of the District's proposed third storm water pump station and ancillary facilities. A copy of AECOM's Progress Status Report is included in the attached Board Book. Mr. Martin discussed MSAi's investigation of options for generator power for the proposed pump station, including long-term contract purchase options. He stated MSAi is reviewing a standard agreement with Enchanted Rock LLC for long-term generator power.

Mr. Jones reported on the status of negotiations and final purchase offers made on three tracts of land for the District's proposed third storm water pump station and ancillary facilities. Mr. Stone discussed the proposed construction schedule for the pump station.

Mr. Burrer reported that he is no longer employed with Hatch Associates Consultants, Inc. ("Hatch"). He discussed his coordination with Hatch and Freese and Nichols, Inc. ("FNI") on finalization of the design of the Michael "Mike" Thelen Pump Station (aka Pump Station F) pump replacement project. Mr. Martin discussed FNI's evaluation of the capacity of the pump station, including modeling of the current and proposed pump configurations for the pump replacement project under design by Hatch. A copy of FNI's memorandum regarding Ditch F Criteria Evaluation is included in the attached Board Book.

Mr. Martin updated the Board on the status of the District's participation in the Harris County Flood Warning System pursuant to the District's Interlocal Agreement for Installation and Maintenance of Seven (7) Gauge Stations with the COSL. He stated that LJA has finalized plans for expanding closed circuit television coverage for the District's drainage channels and Steep Bank Creek outfall. He reviewed the proposed schedule for advertisement for bids and award of a contract for the project.

Mr. Martin stated that FNI's hydrologic and hydraulics analyses of the District's drainage system is anticipated to be completed in February.

Mr. Martin reported on the status of FNI's analysis of alternatives related to closing the Steep Bank Creek outfall structure and re-routing the flows to the Ditch A watershed. He stated that FNI's memorandum regarding the first phase of the analysis is included in the attached Board Book. He stated additional analysis is needed prior to developing a recommendation for the structure. Discussion ensued regarding the goals of simplifying the operations of the District's facilities for the lowest possible cost. Additional discussion ensued regarding Fort Bend County Levee Improvement District No. 19's pump station expansion project.

Mr. Martin reported on District operation and maintenance activities.

The Board reviewed draft revised engagement letters with Husch Blackwell LLP ("HB"), copies of which are included in the attached Board Book. Discussion ensued regarding lobbying, permitting, and other legal services provided to the District by HB. Following review and discussion, Director Gill moved to request that HB provide finalized engagement letters for review at the February regular Board meeting. Director Chapline seconded the motion, which was approved by unanimous vote.

The Board discussed First Colony - Missouri City (also known as SugarStone) perimeter levee system matters, including the proposed rescheduling of the quarterly meetings of the perimeter levee system participants. Mr. Martin stated that there was discussion during the January 8, 2019, perimeter levee participants meeting regarding rescheduling the quarterly meetings to the third Tuesdays of the month, if the Fort Bend Chamber of Commerce had conference room availability. He reported that the Fort Bend Chamber of Commerce does not have conference room availability on the third Tuesdays and has availability on the third Thursdays of the month. Following discussion, the Board concurred that the proposed rescheduled quarterly meeting date of the third Thursdays of the month are not workable. Discussion ensued regarding the responsibility of each participant meeting Chair to coordinate its meetings.

Mr. Kalkomey reported that a tour of the perimeter levee system with the perimeter levee participants' Directors and consultants, newly elected Fort Bend County Judge and Commissioner, and representatives from the Fort Bend County Office of Emergency Management and the COSL is scheduled at 8:00 a.m. on January 23, 2019. He stated that the alternate inclement weather date for the tour is January 31, 2019. He stated the tour will begin near the Amil Gates and discussed the proposed schedule for the tour. A copy of a memorandum regarding a summary of the October 12, 2018, perimeter levee tour from the engineering consultants for the perimeter levee participants is included in the attached Board Book.

Mr. Martin discussed the status of FNI's update of the District's Emergency Preparedness Plan and preparation of a table top exercise for the District and upstream and downstream districts.

The Board discussed the District's auditor's note related to \$50,000.00 held by the District for Ditch H repairs pursuant to a Cost Sharing Agreement for Ditch H Expansion and Improvements with the Fort Bend County Drainage District, the COSL, and Fort Bend County Levee Improvement District No. 17. Following discussion, the Board requested that Mr. Stone discuss the Board's request for performance of a study to determine the repairs needed for Ditch H with the Fort Bend County Drainage District.

#### OPERATION OF DISTRICT FACILITIES

Mr. Thelen discussed maintenance and operation matters, including actions to

address bar screen over-torquing occurrences due to heavy loads of leaves. A copy of the operator's report is included in the attached Board Book.

#### ENGINEERING MATTERS, INCLUDING UPDATE ON BOND APPLICATION

Mr. Kalkomey reported on engineering matters. A copy of the engineer's report is included in the attached Board Book.

Mr. Kalkomey reported on coordination with the District' consultants on finalizing a draft bond application in the amount of \$48,000,000.00.

Mr. Kalkomey stated that, as previously reported, the United States Army Corps of Engineers ("USACE") acknowledged receipt of the District's response to 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 submitted August 27, 2018. He stated that a formal response to the information submitted by the District has not been received from the USACE.

Mr. Kalkomey reported that he submitted to MSAi his approval of the COSL's plans for an additional sanitary sewer siphon at US Highway 59, east of Lake Pointe Parkway.

#### 2019 BOND ELECTION

Mr. Oliver discussed procedures related to the District's proposed May 4, 2019, Bond Election. Mr. Kalkomey reported on his preparation of an engineering report for the election. Mr. Stone reviewed a list of projects included in the draft cost summary and discussion ensued. Director McDonald recommended conducting a survey of the District's residents to determine their perceptions of the District. Following review and discussion, the Board concurred to table action on the District's proposed May 4, 2019, Bond Election until the February 6, 2019, meeting.

#### 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.

MEETING SCHEDULE

The Board concurred to hold a February 6, 2019, workshop meeting and a February 20, 2019, regular meeting at 8:30 a.m. at the William "Bill" Little Pump Station.

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.

  
Asst. Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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