

## MINUTES

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

April 11, 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 11th day of April, 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 Zachary Hughes, resident of the District; Jorge Diaz of McLennan & Associates, LP; Michelle Guerrero of Bob Leared Interests, Inc.; Phil Martin of Mike Stone Associates, Inc.; Anthea Moran of Masterson Advisors LLC; Bob Hodge, Philip Nichols, and Bryan Adams of Tech3 Business Systems, LLC ("Tech3"); Mike Thelen, Jason Klump, and Tyler Werlein of LID Solutions, LLC; Russell Jones of The Holoway Jones Law Firm, PLLC; Ron Cass of AECOM; Jorge Alba of the City of Sugar Land (the "COSL"); Danielle Saldua-Garrison of Fort Bend County Commissioner Precinct 4's office; 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:

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

The Board concurred to remove the bookkeeper's report from the Consent Agenda. Following review and discussion, Director Chapline moved to approve the remaining items included on the Consent Agenda, including the minutes of the Board meeting held March 20, 2019. 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.

#### ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Guerrero reported that no Board action is required for the quarterly Delinquent Tax Report included in the attached Board Book.

Ms. Guerrero reported that the Fort Bend Central Appraisal District has provided a 2019 preliminary appraised taxable value for the District in the amount of \$5,226,000,000.

#### ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Mr. Diaz presented the following: (1) five additional checks from the General Fund for payment of legal services, monthly mowing services, and Director conference expenses; and (2) two additional checks from the Capital Improvement Fund for payment of legal and engineering services in the total amount of \$424,816.53. A document containing a list of the additional checks is attached. Following review and discussion, Director Chapline moved to authorize execution of the seven additional checks as presented. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Martin reviewed charges included on an invoice from Husch Blackwell LLP. Following review and discussion, Director Chapline moved to approve (1) the bookkeeper's report; and (2) Husch Blackwell LLP's current and previously discussed invoices, subject to removal of the charges as discussed. Director Gill seconded the motion, which was approved by unanimous vote.

#### RECEIVE STORM WATER MANAGEMENT PROGRAM REPORT, INCLUDING CONDUCT ANY NECESSARY TRAINING AND RECEIVE PUBLIC COMMENTS

There was no update on the status of the District's current storm water management program.

#### GENERAL MANAGER MATTERS

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, including the schedule and related cost estimates for the District's Capital Improvement Plan, is included in the attached Board Book.

Mr. Martin reviewed changes to a draft Public Art Easement for the Sugar Land Legacy Foundation and First Colony Community Services Association, Inc., a copy of which is included in the attached Board Book. Discussion ensued regarding requiring the contractor to submit a deposit in the amount of \$7,500.00 for release after the

District's acceptance of the art installation. Following review and discussion, Director Gill moved to authorize execution of the Public Art Easement, subject to revision to add the deposit requirement as discussed. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Martin reported on public communication matters, including the updated number of subscribers to the District's email and text alert systems and topics for inclusion in the District's second quarter newsletter. Following discussion, the Board requested that an update on proposed changes to the National Flood Insurance Program be included in the newsletter.

Mr. Martin reviewed an updated District advertisement for inclusion in the First Colony Community Service Association, Inc.'s May, 2019 newsletter. Following review and discussion, the Board requested that the size of the advertisement be increased to a full page.

Mr. Martin reported on preparation for the District's community meeting scheduled for 6:00 p.m. on April 15, 2019, at the COSL's City Hall in the Cane Room. Mr. Oliver discussed items included in the District's recently published Order Calling Bond Election. Ms. Moran discussed the assumptions used in the calculations to determine the District's projected maximum ad valorem debt service tax rate if the propositions in the Order Calling Bond Election were authorized and the corresponding bonds issued.

Mr. Martin reported on the status of the District's project to rehabilitate Ditches B, B-1, C, C-1, and E, including the COSL's storm sewer outfall rehabilitation project. Mr. Martin stated that Pay Estimate No. 9 in the amount of \$0 and Pay Estimate No. 10 in the amount of \$432,702.00 submitted by Texas Wall & Landscape were included in the previously approved bookkeeper's report. He discussed delays in the project schedule and performance of additional geotechnical evaluation.

Mr. Martin reviewed and recommended approval of Change Order No. 2, Request for Budget Allocation Increase, to increase the District's agreement with Tolunay-Wong Engineers, Inc. for construction material testing services for the District's project to rehabilitate Ditches B, B-1, C, C-1, and E, in the amount of \$31,980.00. A copy of the change order is included in the attached Board Book. The Board determined that Change Order No. 2 is beneficial to the District. Following review and discussion, Director Chapline moved to approve the change order as an increase to the agreement with Tolunay-Wong Engineers, Inc., based upon the Board's finding that the change order is beneficial to the District and Mr. Martin's recommendation. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Cass gave a presentation regarding the status of the design of the District's

proposed third storm water pump station and ancillary facilities and upcoming key actions related to finalizing the site layout and electricity requirements. Mr. Cass stated the schedule has experienced a delay due to evaluation of Enchanted Rock's back-up generator power services and surveying work needed for three residential tracts of land recently acquired for the project. Mr. Jones reported on his activities related to securing access to the tracts for the surveyors. Mr. Cass explained design and cost benefits for District ownership of the electricity transformer for the facility. Following review and discussion, the Board requested that AECOM evaluate the District's ownership of a second electricity transformer for redundancy purposes.

Mr. Martin discussed several utility relocations required for the District's proposed third storm water pump station and ancillary facilities. He reviewed a Facilities Extension Agreement with CenterPoint Energy Houston Electric, LLC ("CenterPoint") in the amount of \$19,518.00 and related Service Outlet Location and Data Statement for Electric Service for relocation of the underground electricity line currently serving the three residential tracts recently acquired by the District to a new utility easement anticipated to be dedicated at the front of the site. Copies of the agreement and related document are included in the attached Board Book. Mr. Martin stated that CenterPoint's anticipated abandonment of the existing seven-foot aerial easement through the middle of the site will cost \$500.00. Following review and discussion, Director Chapline moved to authorize execution of the Facilities Extension Agreement with CenterPoint. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Cass stated that seven bids were received for Bid Package No. 1, pump and motor procurement for the District's proposed third storm water pump station and ancillary facilities. Mr. Cass recommended that the Board award the contract to Xylem Water Solutions USA, Inc. ("Xylem") in the amount of \$4,954,100.00. A copy of Mr. Cass' recommendation of award letter is attached. The Board concurred that, in its judgment, Xylem was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project. Mr. Martin discussed the schedule for Contract Authorization No. 1 in the amount of \$116,700.00 and Contract Authorization No. 2 in the amount of \$4,837,400.00. Following review and discussion, Director Chapline moved to, based upon Mr. Cass' recommendation and subject to approval of the payment and performance bonds and review of the certificate(s) of insurance and endorsements, if any, provided by the contractor (1) award the contract for Bid Package No. 1, pump and motor procurement for the District's proposed third storm water pump station and ancillary facilities to Xylem in the amount of \$4,954,100.00; and (2) authorize proceeding with Contract Authorization No. 1. Director Gill seconded the motion, which passed by unanimous vote.

Mr. Jones reported that the three residential tracts needed for the District's proposed third storm water pump station and ancillary facilities have been acquired.

He reviewed a request from a homeowner for extension of occupancy until May 31, 2019, pursuant to previous negotiations. Following discussion, Director Gill moved to authorize execution of an amendment to the lease agreement with the homeowner for extension of occupancy until May 31, 2019. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Martin and Mr. Kalkomey reported on the status of the contract with LEM Construction Co., Inc. for the construction of the Michael "Mike" Thelen Pump Station (aka Pump Station F) Pump Replacement Project.

Mr. Martin recommended approval of LJA's Task Order No. 7 for preparation of a preliminary engineering report, including a recommended approach to final design and cost estimates, for the District's Michael "Mike" Thelen Pump Station Pump Replacement Project in an amount not to exceed \$53,590.00. A copy of the task order is included in the attached Board Book. Mr. Kalkomey reported that LJA is subcontracting with Eric Burrer of Burrer Engineering on the preliminary electrical services. 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 reported on the status of the District's Camera and Stream Gauge Electrical Improvements Project. Mr. Martin stated that Pay Estimate No. 1 in the amount of \$18,000.00 submitted by McDonald Municipal and Industrial - A Division of C.F. McDonald Electric ("McDonald Electric") is included in the previously approved bookkeeper's report. He discussed LJA's and McDonald Electric's coordination with CenterPoint. He demonstrated the current gauge data available through a link on the District's website.

Mr. Martin reported that the results of Freese and Nichols, Inc.'s ("FNI") hydrologic and hydraulics analyses of the District's internal drainage system will be discussed in a future Board workshop. A copy of FNI's progress report is included in the attached Board Book.

The Board discussed FNI's Phase I analysis of alternatives related to closing the Steep Bank Creek outfall structure and re-routing the flows to the Ditch A watershed. Mr. Martin stated that discussions with the engineer and attorney for Fort Bend County Levee Improvement District No. 19 ("FB LID 19") regarding the scope of FB LID 19's pump station expansion project and whether the District will share in the costs of the project remain pending.

Mr. Martin reported on District operation and maintenance activities. A copy of the work order report is included in the attached Board Book.

Mr. Martin reviewed the following Sales Orders from Tech3: (1) Sales Order 18-

13 to add a view of the District's supervisory control and data acquisition system screen to the closed circuit television system in the amount of \$2,485.00; (2) Sales Order 19-02 to install a new pan, tilt, and zoom camera to monitor and record the construction of the District's proposed new pump station in the amount of \$4,978.00; and (3) Sales Order 19-03 to develop a 360-degree panoramic view during unmanned aerial system inspection of the District's facilities in the amount of \$1,500.00 plus \$600.00 annually for hosting and storage of the images. Copies of the sales orders are included in the attached Board Book. Following review and discussion, Director Chapline moved to approve the sales orders. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Martin stated that the District's annual table top exercise will be conducted from 11:00 a.m. to 3:00 p.m. on May 3, 2019, at the Fort Bend Chamber of Commerce. He stated that the Board members, engineers, operators, and attorneys for all of the First Colony - Missouri City (also known as SugarStone) perimeter levee system participants have been invited to participate in the exercise. Mr. Martin reported that the next quarterly meeting of the SugarStone perimeter levee system participants is scheduled at noon on April 16, 2019.

Mr. Martin reported that the Fort Bend County Office of Emergency Management and the Fort Bend County Drainage District will be conducting a Functional Exercise in the Emergency Operations Center beginning at 8:30 a.m. on April 26, 2019. He stated the District's Emergency Preparedness Plan will be implemented at the William "Bill" Little Pump Station during the exercise. Mr. Klump stated that LID Solutions, LLC will be operating a mobile command center in the parking lot of the Sugar Land Baptist Church during the exercise.

#### OPERATION OF DISTRICT FACILITIES

Mr. Klump reported on maintenance and operation matters, including maintenance of the three residential tracts recently acquired for the District's proposed third storm water pump station and ancillary facilities. A copy of the operator's report is included in the attached Board Book. Mr. Klump responded to Board members' questions regarding mowing maintenance and the condition of levee facilities.

#### 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. Oliver updated the Board on the District's bond application in the amount of \$48,000,000.00, including the anticipated schedule for the sale of the bonds. Ms. Moran discussed coordination with the District's consultants on the upcoming bond sale. Following discussion, Director Chapline moved to authorize preparation of the

Preliminary Official Statement for the District's Unlimited Tax Bonds, Series 2019. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Kalkomey reported on his efforts to obtain a formal response to the District's comments to the United States Army Corps of Engineers' final report on the Initial Eligibility Inspection of the SugarStone perimeter levee for the Rehabilitation and Inspection Program.

Mr. Kalkomey and Mr. Martin discussed the status of the COSL's construction projects, including its sanitary sewer siphon project at I-69 under Oyster Creek, and discussion ensued.

#### DEEDS, EASEMENTS, RIGHT OF ENTRY, AND ENCROACHMENTS

There was no additional discussion regarding this item.

#### CONFERENCES AND LEGISLATIVE MATTERS

The Board reviewed a calendar of upcoming conferences. Directors McDonald and Gill reported on Texas Water Day held April 2 - 3, 2019, 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.

#### 86<sup>TH</sup> TEXAS LEGISLATURE UPDATE

Mr. Oliver updated the Board on the activities of the 86<sup>th</sup> Texas Legislature and proposed legislation with potential impact to the District.

#### MEETING SCHEDULE

The Board concurred hold a May 1, 2019, workshop meeting and a May 15, 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.

#### CONDUCT INSPECTION OF LEVEE FACILITIES

The Board adjourned and reconvened at the District's levee located near the William "Bill" Little Pump Station to conduct an inspection of levee facilities, except for Director Chapline who was not present for the inspection.

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

*Alvin Bell*

Secretary, Board of Directors

(SEAL)





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