

MINUTES

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2

May 15, 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 15th day of May, 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 Farha Ahmed, Mary Favre, Charlie Green, Marc Helsinger, Sarah Hilborn, Kim Hodgson, Dale Janik, Andy Kaplan, Greg Schmidt, William Sun, and Andrew Wolf, residents of the District; Mike Stone and Phil Martin of Mike Stone Associates, Inc. ("MSAi"); Jorge Diaz of McLennan & Associates, LP; Michelle Guerrero of Bob Leared Interests, Inc.; Anthea Moran of Masterson Advisors LLC ("Masterson"); David Beyer of Storm Water Solutions, LLC; Bob Hodge of Tech3 Business Systems, LLC; Mike Thelen, Jason Klump, 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 ("ABHR").

PUBLIC COMMENTS

Director McDonald thanked the residents of the District for their presence and their participation in the District's May 4, 2019, Bond Election. He notified the meeting attendees of the District's Policy Regarding Receiving Public Comments and Requests to Address the Board of Directors.

Director McDonald opened the meeting to receive public comments. Ms. Ahmed, Mr. Wolf, Mr. Kaplan, Ms. Hilborn, Mr. Sun, Mr. Hodgson, Mr. Janik, Mr. Green, Mr. Schmidt, and Mr. Helsinger addressed the Board, in succession, regarding their concerns related to drainage and their experiences with high water levels in the streets and/or ditches during the recent rain event. There being no additional public comments, Director McDonald closed the meeting to public comments. A copy of the Public Comments Sign-in Sheet is attached.

GENERAL MANAGER MATTERS

Mr. Stone reported on General Manager matters, including public communication activities, operations during the recent rain event, and the status of current and future District capital improvement projects. A copy of the General Manager's report is included in the attached Board Book.

Mr. Stone discussed the District's public communication activities after the Hurricane Harvey event, including community meetings held soon after the event and the distribution of information regarding the District's capital improvement projects through the District's quarterly newsletters, spring and fall community meetings, numerous homeowners association meetings, the District's website, and email and text alert systems.

Mr. Stone stated that the District's outfall gates were closed to prevent flooding of the District from the Brazos River for approximately one week prior to the recent rain event due to the river's high water elevation. He explained that water moves by gravity approximately ten times faster than the District is able to pump it. Mr. Stone stated that the difference between the recent rain event and the Hurricane Harvey event was that the recent rain event had a rapid intense rainfall of approximately ten inches in approximately four hours during the afternoon of May 7, 2019. He stated that Hurricane Harvey had a higher total rainfall spread over a few days, but the most intense rainfall during Hurricane Harvey was approximately eight inches in 24 hours.

Mr. Stone stated that the Steep Bank Creek outfall was not closed during the recent rain event and all of the District's facilities were operating as designed during the event. He stated that, per the District's operating procedures that are performed every time the Brazos River elevation is high and rain is forecasted, the water in the ditches was pumped out prior to the event and the pump station was manned and running 24 hours a day during the event. He stated that the District does not own or maintain the storm sewer system. Mr. Stone responded to Board members' questions regarding lower slab elevations in older neighborhoods and the evaluation of additional storage options in partnership with area golf courses and schools.

Mr. Stone discussed various analyses performed and the status of the District's capital improvement projects to improve pumping and storage capacity, including ditch rehabilitation projects, pump replacement projects, and the construction of a new pump station.

2019 BOND ELECTION MATTERS: CANVASS RETURNS OF THE ELECTION

The Board read the returns of the May 4, 2019, Bond Election which stated that the bond proposition passed by a vote of 1,393 to 406. After review and discussion, Director Chapline moved to adopt an Order Canvassing the Returns and Declaring Results of Bond Election reflecting that the proposition passed by a vote of 1,393 to 406

and direct that the order be filed appropriately and retained in the District's official records. Director Gill seconded the motion, which passed by unanimous vote.

2019 BOND ELECTION MATTERS: AMENDMENT TO INFORMATION FORM

The Board reviewed an Amendment to Information Form for the District containing updated information regarding bond authorization and the form of notice to purchasers to be provided by sellers of property in the District. Mr. Oliver explained that the District is required to file an Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County and with the Texas Commission on Environmental Quality. After review and discussion, Director Chapline moved to authorize execution of the Amendment to Information Form and direct that the Amendment to Information Form be filed appropriately and retained in the District's official records. Director Gill seconded the motion, which carried unanimously.

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.

Following review and discussion, Director Gill moved to approve the items included on the Consent Agenda, including the minutes of the Board meetings held January 8, April 11, April 15, and April 16, 2019. Director Chapline 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 the District's delinquent tax attorney recommended moving 83 uncollectible delinquent personal property tax accounts for 2013 and 2014 in the total amount of \$2,820.71 to the uncollectible roll. A copy of the list of uncollectible delinquent personal property tax accounts is included in the attached Board Book. Following review and discussion, Director Gill moved to authorize moving the uncollectible delinquent personal property tax accounts to the uncollectible roll as recommended. Director Chapline seconded the motion, which was approved by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Mr. Diaz presented (1) four additional checks from the General Fund for payment of legal services, monthly mowing services, and Director conference expenses in the total amount of \$19,872.00; and (2) two additional checks from the Capital Improvement Fund for payment of legal and engineering services in the total amount of \$5,703.95. A list of the additional checks is attached. Following review and discussion, Director Chapline moved to authorize execution of the six additional checks as

presented. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Martin presented amended budgets for the District's General Operating Fund and Capital Improvement Fund for fiscal year end September 30, 2019, copies of which are included in the attached Board Book. Mr. Martin reviewed revisions made to line items in the budgets to reflect actual expenditures as discussed during the District's budget workshop held May 1, 2019. Following review and discussion, Director Gill moved to adopt the amended budgets for the District's General Operating Fund and Capital Improvement Fund for fiscal year end September 30, 2019, as presented. Director McDonald seconded the motion, which was approved by unanimous vote.

UNLIMITED TAX BONDS, SERIES 2019 ("SERIES 2019 BONDS")

Mr. Oliver and Ms. Moran discussed the procedures and proposed schedule for issuance of the District's \$48,000,000 Unlimited Tax Bonds, Series 2019.

Ms. Moran recommended engaging McCall, Parkhurst, & Horton, L.L.P. ("McCall Parkhurst") as Disclosure Counsel and responded to Board members' questions. Following review and discussion, Director Chapline moved to authorize execution of an engagement letter with McCall Parkhurst as Disclosure Counsel and direct that the engagement letter be filed appropriately and retained in the District's official records. Director Gill seconded the motion, which was approved by unanimous vote.

Ms. Moran presented the draft Preliminary Official Statement and Official Notice of Sale for the District's Series 2019 Bonds and responded to Board members' comments and questions.

Ms. Moran recommended engaging Standards & Poor's ("S&P") to perform a credit rating analysis for the District's Series 2019 Bonds.

Ms. Moran recommended appointing The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the District's Series 2019 Bonds.

Following review and discussion, Director Chapline moved to (1) approve the Preliminary Official Statement and Official Notice of Sale for the Series 2019 Bonds, subject to final review and comment; (2) engage S&P to perform a credit rating analysis for the Series 2019 Bonds; (3) appoint The Bank of New York Mellon Trust Company, N.A., as the Paying Agent/Registrar for the District's Series 2019 Bonds; and (4) authorize Masterson to schedule and advertise the sale of the Series 2019 Bonds for June 12, 2019, at 12:00 p.m. Director Gill seconded the motion, which passed unanimously.

RECEIVE STORM WATER MANAGEMENT PROGRAM REPORT

Mr. Beyer updated the Board on the status of the District's current storm water management program ("SWMP") and the 2019 renewal of the Texas Pollutant

Discharge Elimination System General Permit No. TXR040000 (the "MS4 Permit"). Mr. Beyer indicated that pursuant to the 2019 renewed MS4 Permit requirements, the District must submit a new Notice of Intent ("NOI") and updated SWMP to the Texas Commission on Environmental Quality no later than July 23, 2019, to maintain MS4 Permit coverage. Mr. Beyer presented the draft NOI and SWMP required by the MS4 Permit for review. He stated the proposed final report will be presented at the Board's regularly scheduled June meeting.

ANNUAL REVIEW AND FILING OF CRITICAL LOAD SPREADSHEET

Mr. Oliver discussed annual filing requirements for the District's Critical Load Spreadsheet containing a list of the facilities operated by the District that receive electricity. He stated that the Critical Load Spreadsheet has been reviewed by the District's consultants and is required to be filed annually with the appropriate entities, including CenterPoint Energy and Fort Bend County, for emergency response purposes. A copy of the spreadsheet is included in the attached Board Book. After review and discussion, Director Chapline moved to approve the Critical Load Spreadsheet and direct that the Critical Load Spreadsheet be filed appropriately and retained in the District's official records. Director Gill seconded the motion, which carried by unanimous vote.

GENERAL MANAGER MATTERS (CONTINUED)

Mr. Martin reported on public communication matters, including the updated number of subscribers to the District's email and text alert systems. Mr. Stone discussed the website analytics report included in the attached Board Book and the website links to gauge data. Discussion ensued regarding flooding of houses and garages within the City of Sugar Land (the "COSL") due to the inability of the COSL's storm water sewer system to convey the rapid rainfall and to blocked water flow from the back to the front of some houses by landscaping. Additional discussion ensued regarding the schedule for the COSL's project to increase the capacity of its storm sewer system.

Mr. Martin reported that a public meeting regarding the District's operations during the recent rain event and capital improvement projects has been scheduled in coordination with the Austin Meadows neighborhood for 6:30 p.m. on June 5, 2019, at the St. Laurence Catholic Church in the Parish Hall.

The Board reviewed a draft of the District's second quarter newsletter and discussed corrections and proposed topics for inclusion.

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 there are no pay estimates from Texas Wall & Landscape for consideration. He discussed delays in the project schedule and stated that the contractor will focus on completing rehabilitation of Ditch C. Discussion ensued

regarding the impact of the project on the District's budget. Director McDonald stated that the Board needed to conduct another budget workshop.

Mr. Martin reported on the status of the design of the District's proposed third storm water pump station and ancillary facilities. He stated that AECOM is working on finalizing the scope of design and the site layout to accommodate proposed back-up generator power services and multiple utility relocations. He stated that AECOM is developing additional Bid Package No. 6 for the project to include demolition of the houses located on the three residential tracts of land recently acquired for the project, installation of a CenterPoint Energy duct bank for utility relocation, and installation of construction signs and fencing.

Mr. Oliver discussed coordination with Enchanted Rock Solutions, LLC to finalize a proposed agreement and ground lease for back-up generator power services for the District's proposed third storm water pump station and ancillary facilities for the Board's review.

Mr. Stone discussed the proposed schedule for bidding and awarding a contract for Bid Package No. 6 for the District's proposed third storm water pump station and ancillary facilities. He responded to Board members' questions regarding matters related to the design, permitting, site access, and security for the project. Mr. Stone discussed challenges to be addressed during construction of the project related to dewatering of the site, working hours, noise, and street cleaning.

Mr. Martin reported on the status of the District's contract with LEM Construction Co., Inc. for the construction of the Michael "Mike" Thelen Pump Station (aka Pump Station F) Pump Replacement Project. He stated that a pre-construction meeting with the contractor to review and approve the pump submittal is scheduled for May 17, 2019. He stated that installation will begin in several months after the pumps are manufactured and delivered.

Mr. Martin reported on the status of the design of the District's increased capacity project for the Michael "Mike" Thelen Pump Station.

Mr. Martin reported on the status of the District's Camera and Stream Gauge Electrical Improvements Project. He stated that Pay Estimate No. 2 in the amount of \$74,324.70.00, submitted by McDonald Municipal and Industrial - A Division of C.F. McDonald Electric, is included in the previously approved bookkeeper's report. He stated that completion of the project will be delayed for several months pending delivery of the new camera poles. Director Chapline stated that the electrical control panel for the facilities needed to be secured.

Mr. Martin reported that during the recent rain event, Freese and Nichols, Inc. ("FNI") forecasted the impact of increased pumping capacity on water elevations in the District's ditches based on FNI's recently completed hydrologic and hydraulics analyses

of the District's internal drainage system. He stated that FNI's comparison of the impact of increased pumping capacity on water elevations in the District's ditches during Hurricane Harvey and the recent rain event is included in the attached Board Book. He reported that FNI is currently analyzing the impact of proposed ditch widening and storage improvements during rain events that occur coincidentally with the Brazos River preventing gravity flow from the District's drainage system. He stated that the analyses will benefit the District's emergency operations procedures and planning for capital improvement projects. Discussion ensued regarding the Fort Bend County Drainage District's adoption of the Atlas 14 data, which increased the 100-year, 24-hour rainfall total from 12.5" to 16.23," as a requirement for future drainage improvements.

Mr. Martin reported that LJA is preparing a Preliminary Engineering Report to include the scope of work and fee for expanding the storage of the Ditch A system per initial recommendations from FNI 's gravity analysis for Ditch A. Mr. Martin stated the proposed Ditch A expansion project will be added to the District's list of capital improvement projects.

Mr. Martin reported on District operation and maintenance activities, including the biannual video inspection of the ditch and levee facilities using the District's unmanned aerial system. A copy of the work order report is included in the attached Board Book.

Mr. Martin stated that he will request copies of the perimeter levee inspection reports from the operators for the participants of the First Colony - Missouri City (also known as SugarStone) perimeter levee system.

Mr. Martin discussed the schedule for updating the District's Emergency Preparedness Plan per the District's annual table top exercise held May 3, 2019.

In response to a question from Director Chapline, Mr. Stone discussed the schedule for performing an after event review of the District's emergency operations during the recent rain event and discussion ensued. Mr. Stone stated that the District's priority is to pump water during emergency operations. Additional discussion ensued regarding the use of generator power at the Michael "Mike" Thelen Pump Station during emergency operations and exploring options for additionally reducing the chances that the District's pumps will become inoperable due to a lightning strike.

Mr. Martin discussed repairs made to Ditch H by the Fort Bend County Drainage District.

OPERATION OF DISTRICT FACILITIES

Mr. Thelen reported on maintenance and operation matters, including operator training and decreased reservoir capacity in Texas due to increased rainfall. A copy of

the operator's report is attached.

Mr. Thelen recommended painting the two diesel fuel storage tanks at the William "Bill" Little Pump Station pursuant to a quote from Alvin Contracting in the amount of \$18,675.00. A copy of the quote is included in the operator's report. Following review and discussion, Director Chapline moved to authorize LID Solutions to proceed with the painting pursuant to the quote. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Thelen reviewed high water markings recorded for the recent rain event and responded to Board members' questions.

Mr. Thelen discussed installing temporary signs at the William "Bill" Little Pump Station during emergency operations to notify the public that unauthorized access is prohibited.

Discussion ensued regarding determining the appropriate time to remove the additional temporary generators rented by the District for \$15,000.00 a week and exploring alternate location options for additional temporary generators due to the impending construction of the new pump station.

ENGINEERING MATTERS

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

Mr. Kalkomey reported on his efforts to obtain a formal response to the District's comments to the United States Army Corps of Engineers' (the "USACE") final report on the Initial Eligibility Inspection of the SugarStone perimeter levee for the Rehabilitation and Inspection Program. Mr. Kalkomey stated that he is coordinating with representatives of the USACE to schedule a tour of the perimeter levee.

Mr. Kalkomey reported on his coordination with the COSL and MSAi on preparing a summary of initial damages caused by the recent rain event.

DEEDS, EASEMENTS, RIGHT OF ENTRY, AND ENCROACHMENTS

Mr. Oliver presented a Public Art Easement for the Sugar Land Legacy Foundation and First Colony Community Services Association, Inc., a copy of which is attached. Mr. Oliver reviewed revisions made to the previously approved Public Art Easement pursuant to discussions during the May 1, 2019, Board meeting. Following review and discussion, Director Chapline moved to authorize execution of the Public Art Easement as presented. 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.

MEETING SCHEDULE

The Board concurred to reschedule its June 5, 2019, workshop meeting to 10:30 a.m. on June 12, 2019, and its June 19, 2019, regular meeting to 8:30 a.m. on Tuesday, June 18, 2019. The Board concurred that the rescheduled meetings will be held 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.



Secretary, Board of Directors

(SEAL)



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