

MINUTES

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2

April 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 April, 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; Anthea Moran of Masterson Advisors LLC ("Masterson"); Phil Martin of Mike Stone Associates, Inc. ("MSAi"); Gregory P. Frank, P.E. of Costello, Inc.; Russell Jones of The Holloway Jones Law Firm; Mike Thelen of LID Solutions, LLC ("LID Solutions"); Hector Olmos of Freese and Nichols, Inc. ("FNI"); 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.

RE-APPOINTMENT OF DIRECTOR CHAPLINE

The Board reviewed the Fort Bend County Commissioners Court's Order Appointing Director for the District re-appointing Bryan Chapline for a term ending April 3, 2022. A copy of the order is included in the attached Board Book. Director Chapline presented his executed Sworn Statement and Oath of Office. Following review and discussion, Director Gill moved to approve Director Chapline's Sworn Statement and Oath of Office and direct that the documents be filed appropriately and retained in the District's records. Director McDonald seconded the motion, which was approved by unanimous vote.

EXECUTION OF DISTRICT REGISTRATION FORM

The Board reviewed an updated District Registration Form, a copy of which is

included in the attached Board Book. Following review and discussion, Director Gill moved to authorize execution of the updated District Registration Form and direct that the form be filed appropriately and retained in the District's records. Director McDonald seconded the motion, which was approved by unanimous vote.

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 typographical errors in the April 11 and 12, 2018, meeting minutes. 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 March 21, 2018, and April 4, 11, and 12, 2018, subject to revision of the minutes as discussed. Director Chapline seconded the motion, which passed by unanimous vote. Copies of the draft minutes and 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, check nos. 10677 and 10678, for payment of invoices for information technology and security services. Following review and discussion, Director Gill moved to authorize execution of the two additional checks. Director Chapline seconded the motion, which was approved by unanimous vote.

Ms. Moran informed the Board that she has resigned from Hilltop Securities, Inc. and joined Masterson. She described Masterson's qualifications and requested the Board consider hiring Masterson as the District's financial advisor. Following discussion, the Board concurred to add an item to consider engagement of Masterson to the agenda of its next meeting.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Guerrero reported that the Fort Bend Central Appraisal District has provided a 2018 preliminary appraised taxable value for the District in the amount of \$5,274,733,076.

STORM WATER MANAGEMENT PLAN AND PUBLIC COMMENTS

Mr. Klump 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.

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 is included in the attached Board Book.

Mr. Martin reported on public communication matters. He discussed the status of the design of the District's website by Off Cinco. He stated that, when the new website is live, a link to the website will be distributed for review and comment by the Board and the District's consultants.

Mr. Martin stated that a list of draft articles for the District's summer newsletter will be ready for the Board's review at the May regular meeting.

Mr. Martin reported on planning for the District's dedication event for Pump Station F scheduled at 3:00 p.m. on Thursday, May 10, 2018, including a list of invitees, the design of the building dedication plaque, schedules for distributing invitations and conducting the event, and promotional items.

Mr. Martin stated that three bids were received for the construction 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. Frank recommended that the Board award the contract to Lecon, Inc. in the amount of \$318,145.00. The Board concurred that, in its judgment, Lecon, Inc. 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. Following review and discussion, Director Chapline moved to award the contract for construction of the West Levee Top Armoring Pilot Project to Lecon, Inc. in the amount of \$318,145.00, based upon Mr. Frank's recommendation, and authorize execution of the contract, 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. Director Gill seconded the motion, which was approved by unanimous vote. A copy of the bid tabulation is included in the attached Board Book.

Mr. Martin stated that four bids were received for the District's Interior Ditch Rehabilitation Project for Ditches B, B-1, C, C-1, and E, including access driveway locations ("Interior Ditch Rehabilitation Project"). Mr. Frank recommended that the Board award the contract to Texas Wall Systems LLC dba Texas Wall and Landscape LLC ("TWL") in the amount of \$5,837,165.00. Discussion ensued regarding financing for the project, coordination between the District's consultants to finalize the District's financing plan, and whether to schedule a bond election. Following review and discussion, the Board concurred that, in its judgment, TWL 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. Director Chapline moved to award the contract for the Interior Ditch Rehabilitation Project to TWL in the amount of \$5,837,165.00 and authorize execution of the contract, 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. Director Gill seconded the motion, which was approved by unanimous vote. A copy of the bid tabulation is included in the attached Board Book.

Mr. Martin discussed revisions made to a proposed Development Participation Agreement for Storm Sewer Outfall Improvements between the District and the City of Sugar Land (the "COSL"). He stated that, under the proposed agreement, MSAi will invoice the COSL for its outfall rehabilitation project, included as an alternate bid item in the District's contract for the Interior Ditch Rehabilitation Project, as the District is invoiced for such work by the contractor. Following discussion, Director Chapline moved to authorize execution of the Development Participation Agreement for Storm Sewer Outfall Improvements. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Frank updated the Board on the design of the proposed rehabilitation and improvement project for the District's south and east levees, including the proposed road crossings. He stated the plans have been submitted to the COSL for review and reported on his coordination with SWCA Environmental Consultants on permitting matters. Discussion ensued regarding whether right-of-way needs to be acquired for the project. Following discussion, Mr. Frank stated he will prepare a map of parcels that may need to be acquired.

Mr. Martin reported on the status of AECOM's preparation of a Preliminary Engineering Report to include a series of alternatives and preliminary design for the District's proposed third storm water pump station. He discussed AECOM's evaluation of options for pump installation and backup power and stated that recommendations will be presented to the Board at a May 2, 2018, workshop meeting. A copy of AECOM's Progress Status Report is included in the attached Board Book.

Mr. Martin reported on Hurricane Harvey after-action plan matters, including the status of MSAi's research on the proposed installation of flood monitoring equipment. He discussed FNI's hydrologic and hydraulics analyses of the District's drainage system and Oyster Creek to determine feasible solutions for increasing storage for the District's internal drainage system and improving the performance of gravity drainage. A copy of FNI's Status Report is included in the attached Board Book. Discussion ensued regarding the report.

PURCHASE OF REAL PROPERTY

Mr. Jones reported on discussions held with the President of the First Colony Community Association regarding the District's final purchase offer for a 1.172-acre tract of land for an additional storm water pump station. He discussed the procedures for a Special Commissioners' hearing scheduled at 10:00 a.m. on May 8, 2018, to proceed with the District's eminent domain proceedings related to the acquisition of the tract. Following discussion, Director Chapline moved to appoint Mike Stone as the District's representative at the Special Commissioners' Hearing and authorize execution of a check for deposit of the award amount into the registry of the Court to allow the District access to the Tract, subject to determination of the award amount by the Special Commissioners. Director Gill seconded the motion, which was approved by unanimous vote.

GENERAL MANAGER MATTERS (CONTINUED)

Mr. Martin reported on the status of Hatch Associates Consultants, Inc.'s preparation of plans and specifications for the pump replacement project at Pump Station F. He stated that the project is expected to advertise for bids in May or June, 2018.

Discussion ensued regarding the night vision capabilities of the District's security cameras. Following discussion, the Board requested that Mr. Hodge research infrared equipment for the District's security cameras.

Mr. Martin stated that monthly inspection reports for the First Colony - Missouri City (also known as SugarStone) perimeter levee system are included in the Board Book. He reported that the next meeting of the participants in the perimeter levee system has been rescheduled for July 31, 2018. Mr. Martin and Mr. Thelen responded to Director McDonald's inquiries regarding hog damage to the perimeter levee system.

Mr. Martin reported that HR Wallingford Group Ltd. is preparing a schedule for performing Phase 2 fragility, reliability, and resiliency analyses of the District's levee system.

Mr. Martin reported that LID Solutions is developing a schedule for irrigating the District's north and west levees and procuring new nozzles that will create less overspray.

Mr. Martin reported on District operation and maintenance activities, including the status of work orders, and responded to Board members' questions. He recommended approval of a proposal from Camino Services to LID Solutions for installation of rip rap on the west levee near the State Highway 6 flap gate structure in the amount of \$7,570.00. A copy of the proposal is included in the attached Board Book. Following review and discussion, Director Gill moved to authorize LID Solutions'

approval of the proposal. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Martin recommended approval of a Planned Maintenance Agreement with Cummins Southern Plains LLC for a five-year maintenance plan for the District's five generators located at the William "Bill" Little Pump Station and Pump Station F in the amount of \$225,945.00. A copy of the agreement is included in the attached Board Book. Following review and discussion, Director Gill moved to authorize execution of the Planned Maintenance Agreement. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Martin reviewed an application for renewal of District's Aviation Insurance Policy for Unmanned Aircraft Systems expiring on June 1, 2018. Mr. Hodge reported that authorization to fly the District's Unmanned Aircraft System has been received from the Federal Aviation Administration. Following review and discussion, Director Chapline moved to authorize execution of the aviation insurance renewal application. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Martin reported on the status of FNI's coordination with the District's consultants to update the District's Emergency Preparedness Plan. Following discussion, the Board concurred to hold a workshop to conduct an emergency preparedness plan exercise at 12:00 p.m. on May 8, 2018.

Director McDonald stated there is no update on the District's proposed participation in the United States Army Corps of Engineers' ("USACE") Silver Jackets program at this time.

Discussion ensued regarding sloughing conditions on Fort Bend County Levee Improvement District No. 17's portion of Ditch H.

In response to Director McDonald's inquiries, Mr. Martin stated that the most recent agronomist's report was included in the March 21, 2018, Board Book and Mr. Thelen discussed the application of ant treatment on the District's levee facilities.

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, and activities occurring within the District's right-of-way.

ENGINEERING MATTERS

Mr. Frank reported on engineering matters.

Mr. Frank discussed his coordination with the District's General Manager on a

proposed 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.

DEEDS, EASEMENTS, RIGHT OF ENTRY, AND ENCROACHMENT

There was no discussion on this item.

SUGARLAND AMABASSADOR PROGRAM - BRAZOS RIVER EROSION STUDY

The Board concurred to attend a presentation regarding the COSL's analyses of erosion along the Brazos River bank at 7:30 a.m. on May 10, 2018, at the COSL Town Hall.

PARAMETRIC INSURANCE COVERAGE AND DISASTER RELIEF PROGRAM

The Board discussed implementation of a proposed pilot parametric insurance program for the District, including development of a disaster relief program. Discussion ensued regarding previously reviewed options for engaging Willis Towers Watson ("WTW") for developing a parametric insurance strategy for the District to include development of payout triggers for rainfall, drought, and water surface elevation in Ditch H, structuring of the parametric solution for the triggers, and taking the solution to market to negotiate insurance coverage. Additional discussion ensued regarding the need to verify appropriate triggers and tax considerations. Following discussion, Director Gill moved to authorize the District's consultants to negotiate a broker/consultant agreement with WTW for developing a parametric insurance strategy for the District, subject to verification of the appropriate triggers, taxes, and fees, and an insurance premium that does not exceed \$90,000.00. Director Chapline 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 and state levee, floodplain management, and flood insurance matters with potential significant impacts on Fort Bend County levees. Following discussion, Director Gill moved to authorize Director McDonald to attend a Harvey Communities Forum and a National Association of Flood and Stormwater Management Agencies Listening Session. Director Chapline seconded the motion, which was approved by unanimous vote.

MEETING SCHEDULE

The Board confirmed its workshop meeting at 8:30 a.m. on May 2, 2018, at the William "Bill" Little Pump Station and regular meeting at 8:30 a.m. on May 16, 2018, at the Sugar Land Marriott Town Square in the Burning Pear Restaurant.

The Board confirmed its special meeting at 12:00 p.m. on May 8, 2018, at the William "Bill" Little Pump Station to conduct an emergency preparedness plan exercise.

The Board confirmed its attendance at a presentation regarding the COSL's analyses of erosion along the Brazos River bank at 7:30 a.m. on May 10, 2018, at the COSL Town Hall.

The Board confirmed to hold its Pump Station F dedication at 3:00 p.m. on May 10, 2018.

CONVENE IN 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)



LIST OF ATTACHMENTS TO MINUTES

Minutes
Page

Board Book.....1