

MINUTES

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2

May 16, 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 16th day of May, 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.; David Beyer and Jason Klump of Stormwater Solutions, LP ("SWS"); Samantha Medlock of Willis Towers Watson ("WTW"); Karin Jacoby of Husch Blackwell, LLP via teleconference; Russell Jones of The Holloway Jones Law Firm; Mike Stone and Phil Martin of Mike Stone Associates, Inc. ("MSAi"); Bob Hodge of Tech3 Business Systems, LLC ("Tech3"); Mike Thelen and Tyler Werlein of LID Solutions, LLC; Gregory P. Frank, P.E. of Costello, Inc.; 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.

No meeting minutes were presented for approval. Following review and discussion, Director Chapline moved to approve the items included on the Consent Agenda. Director Gill 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.

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 Chapline seconded the motion, which was approved by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Mr. Diaz reviewed three additional checks from the District's General Fund, nos. 10705 - 10707, for payment of invoices related to consultant services and a deposit to the Fort Bend County Clerk's office to allow the District access to a 1.172-acre tract of land for a supplemental storm water pump station pursuant to a Special Commissioners' hearing award. Following review and discussion, Director Chapline moved to authorize execution of the additional checks. Director Gill seconded the motion, which was approved by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

There were no additional tax assessment or collection matters.

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.

ANNUAL REVIEW AND FILING OF CRITICAL LOAD SPREADSHEET

Mr. Oliver discussed annual filing requirements for the District's Critical Load Spreadsheet listing 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 authorize annual filing of the Critical Load Spreadsheet with the appropriate entities. Director Gill seconded the motion, which carried by unanimous vote.

PARAMETRIC INSURANCE COVERAGE AND DISASTER RELIEF PROGRAM

Ms. Medlock reviewed proposed weather-index global market options and pricing for parametric insurance coverage for the District. Discussion ensued regarding clarifying the proposed payout triggers for rainfall and water surface elevation in

Brazos River at the Richmond gauge station.

Ms. Jacoby discussed a proposed policy and requirements for a District disaster relief program and recommended simultaneously implementing a disaster relief program at the time a parametric insurance policy is purchased. Discussion ensued regarding the proposed schedule for implementation of parametric insurance coverage for the District. Following review and discussion, the Board authorized the District's consultants to coordinate with WTW on clarifying the payout triggers for a parametric insurance policy with a \$10,000,000 payout per contract year and an approximate premium ranging from \$200,000 to \$250,000 for proposed implementation by June 10, 2018.

PURCHASE OF REAL PROPERTY

Mr. Jones reported on the Special Commissioners' hearing held on May 8, 2018, regarding the District's institution of eminent domain proceedings for a 1.172-acre tract of land for a third storm water pump station. He reported that the Special Commissioners determined that the tract's valuation was \$100,000.00. He stated that the District will have access to the tract upon deposit of a check for the valuation with the Fort Bend County Clerk.

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, including a response to resident correspondence. He discussed the status of the design of the District's website by Off Cinco. He provided a link for reviewing the website and requested that comments be submitted to MSAi prior to Memorial Day weekend. Director Gill requested that a list of subdivisions included in the District be added to the website.

Mr. Martin reported that the District's summer newsletter is nearly complete and ready for distribution. He stated the newsletter includes an article regarding the District's May 10, 2018, dedication event renaming Pump Station F as the Michael "Mike" Thelen Pump Station. He discussed sponsorship for the event.

Mr. Martin reported that the District won an award in the Technology Innovation Operations Category to be presented by the AT&T Government Technology Special Districts Program at the Southwest Regional Summit in Austin, Texas on June 20, 2018.

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. He stated that a partial notice to proceed was issued to Lecon, Inc. to order the articulated concrete block for the project.

Mr. Martin reported on the status of the District's project to rehabilitate Ditches B, B-1, C, C-1, and E, including access driveway locations. He stated that a partial notice to proceed was issued to Texas Wall Systems LLC dba Texas Wall and Landscape LLC to order the articulated concrete block for the project. He discussed the schedule for obtaining pre-construction video of the sites through use of the District's Unmanned Aircraft System.

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 City of Sugar Land (the "COSL") for review and reported on his coordination with SWCA Environmental Consultants on permitting matters. He stated he is preparing 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 stated that AECOM is proceeding with design work based on the scope and design recommendations presented to the Board at the May 2, 2018, workshop meeting to include vertical line shaft pumps with electric drives and natural gas-driven generators. Discussion ensued regarding additional hydrologic and hydraulic analyses modeling of rainfall needed for the design and permitting process. A copy of AECOM's Progress Status Report is included in the attached Board Book.

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 June, 2018. Discussion ensued regarding whether the project should be done in phases.

Mr. Martin reported on Hurricane Harvey after-action plan matters, including the current schedule and cost estimates for capital improvement plan projects included in the attached Board Book.

Mr. Martin and Mr. Stone reported on the status of MSAi's research on the proposed installation of flood monitoring equipment. Mr. Stone recommended entering into an Interlocal Agreement for Installation and Maintenance of Gauge Stations with the COSL. He stated that the cost for installation is \$2,800.00 per gauge station and maintenance of the gauge stations is \$600.00 per year for each site. Discussion ensued regarding the number and locations of proposed gauge sites.

Following discussion, Director Gill moved to authorize the District's consultants to negotiate an Interlocal Agreement for Installation and Maintenance of Gauge Stations with the COSL for six site locations. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Martin reported on the status of Freese and Nichols, Inc.'s ("FNI") hydrologic and hydraulic analyses of the District's drainage system and Oyster Creek for feasible solutions for increasing storage for the District's internal drainage system and improving performance of gravity drainage. He stated that FNI estimated the cost of damages inside the District from Hurricane Harvey at \$6,700,000. A copy of FNI's Memorandum regarding Hurricane Harvey Estimated Flood Losses is included in the attached Board Book. Discussion ensued regarding the report.

Mr. Martin and Mr. Stone discussed emergency radio communications. Mr. Stone stated that a letter will be sent to the COSL, the City of Missouri City, and Fort Bend County to request permission to monitor their emergency radio channels.

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 reported that HR Wallingford Group Ltd.'s Phase 2 fragility, reliability, and resiliency analyses of the District's levee system is expected to begin at the end of May, 2018.

Mr. Martin reported that LID Solutions is developing a test plan for irrigating the District's north and west levees. Mr. Thelen reported that newly acquired nozzles were more efficient.

Mr. Martin reported on District operation and maintenance activities, including the status of work orders, and responded to Board members' questions. Mr. Martin reviewed Tech3 Sales Order 17-15a for installation of security and fire alarm systems in all of the buildings and the driveways at both of the District's pump stations in the amount of \$48,275.71. A copy of the sales order is included in the attached Board Book. Mr. Stone stated that conduit and other materials would need to be installed at additional cost. He stated that the total cost of operations and maintenance of the security and fire alarm systems is \$160.00 per month. Discussion ensued regarding whether to install a fire suppression system. Following discussion, Mr. Stone stated that he will research additional options for security and fire alarm systems for Board review.

Mr. Martin reviewed Tech3 Sales Order 18-02 for upgrading, repurposing, linking, and installing new security cameras at both of the District's pump stations,

including network upgrades and licensing in the amount of \$70,059.26. A copy of the sales order is included in the attached Board Book. Discussion ensued regarding the frequency and cost of the security camera upgrades and the length of time data should be stored. Following discussion, Mr. Stone stated that a report regarding options for security cameras will be prepared for Board review.

Mr. Martin reviewed a proposal for renewal of the District's Aviation Insurance Policy for Unmanned Aircraft Systems expiring on June 1, 2018. A copy of the proposal is included in the attached Board Book. Following review and discussion, Director Chapline moved to approve the short-term coverage option of the insurance renewal proposal expiring October 13, 2018, in the amount of \$641.00, to coordinate expiration of the policy with the District's other insurance policies. Director McDonald seconded the motion, which was approved by unanimous vote, except for Director Gill who was not present for the vote.

Mr. Martin updated the Board on the status of FNI's coordination with the District's consultants to update the District's Emergency Preparedness Plan per the exercise conducted on May 8, 2018.

Director McDonald reported that 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.

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.

Mr. Thelen reported that rip rap was installed to address erosion concerns at the State Highway 6 flap gate structure. Mr. Martin stated that a 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 will be prepared.

Mr. Thelen and Mr. Martin reported on SWS' coordination with the COSL on procedures related to the COSL's sanitary sewer spill pursuant to requirements of the District's Storm Water Management Program in compliance with the Texas Commission on Environmental Quality's Phase II MS4 Permitting.

ENGINEERING MATTERS

Mr. Frank reported on engineering matters. A copy of his report is included in the attached Board Book.

DEEDS, EASEMENTS, RIGHT OF ENTRY, AND ENCROACHMENT

There was no discussion on this item.

SUGARLAND AMABASSADOR PROGRAM - BRAZOS RIVER EROSION STUDY

There was no discussion on 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.

RESOLUTION ESTABLISHING ADDITIONAL OUT-OF-DISTRICT MEETING PLACE

The Board considered establishing additional out-of-District meeting places at the Fort Bend Chamber of Commerce and new office locations for Costello, Inc. and MSAi. Following review and discussion, Director Chapline moved to adopt a Resolution Establishing Additional Out-of-District Meeting Place, authorize the publication of a notice of the locations of the meeting places established outside of the District, and direct that the resolution be filed appropriately and retained in the District's records. Director Gill seconded the motion, which was approved by unanimous vote.

MEETING SCHEDULE

The Board concurred to hold a regular meeting at 8:30 a.m. on Monday, June 4, 2018, at the William "Bill" Little Pump Station. No other meetings were scheduled for June, 2018.

CONVENE EXECUTIVE SESSION

The Board convened in executive session at 11:19 a.m. to conduct a private consultation with its attorney pursuant to Section 551.071, Texas Government Code. The Board determined that the attendance in this executive session of Mr. Stone and Mr. Martin 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 12:09 p.m., the Board reconvened in open session. Director Gill moved to authorize MSAi to (1) develop a recommendation for an engineer of record for construction management services for the District's two current projects under contract;

and (2) evaluate District Engineering services and develop a recommendation for how to proceed. Director Chapline seconded the motion, which was approved by unanimous vote.

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