

MINUTES

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2

September 26, 2018

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 2 (the "District"), met in special session, open to the public, on the 26th day of September, 2018, 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:

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| 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.; Mike Stone and Phil Martin of Mike Stone Associates, Inc. ("MSAi"); and David Oliver and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

AMENDMENT TO AGREEMENT FOR SERVICES FOR BOOKKEEPER

Mr. Diaz presented an Amendment to Agreement for Services for Bookkeeper. Discussion ensued regarding the proposed amendment, management of consultant time, the quality of bookkeeping services, and the District's budget. Following review and discussion, Director Chapline moved to authorize execution of the Amendment to Agreement for Services for Bookkeeper as presented. Director Gill seconded the motion, which was approved by unanimous vote. The Board concurred to monitor the quality of bookkeeping services and requested that MSAi manage the cost of bookkeeping services consistent with the District's budget.

AMENDED CONTRACT WITH LID SOLUTIONS, LLC ("LID SOLUTIONS")

The Board discussed amending the District's Amended and Restated Operation and Maintenance Service contract with LID Solutions. Mr. Stone reviewed a cost summary for the District's high-water vehicle. Discussion ensued regarding the District's proposed purchase and use of the high-water vehicle and the cost of insuring the vehicle. Following review and discussion, Director Gill moved to (1) authorize ABHR to prepare an amendment to the District's contract with LID Solutions to include increased insurance costs; and (2) direct MSAi to determine required insurance coverage and provide invoices and backup documentation for the District's proposed

purchase of the high water vehicle from LID Solutions for the Board's review. Director Chapline seconded the motion, which was approved by unanimous vote.

ADOPT BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2019

The Board discussed the District's budget for fiscal year end September 30, 2019, including an analysis of the District's tax rate and the status of current and future capital improvement plan projects. Mr. Stone reviewed a draft General Fund Operating Budget and discussed revisions made to line items to provide potential savings. Discussion ensued regarding additional revisions to line items. Following review and discussion, Director Gill moved to adopt the General Fund Operating Budget for fiscal year end September 30, 2019, subject to the revisions as discussed. Director Chapline seconded the motion, which was approved by unanimous vote.

2018 TAX RATE

The Board reviewed the District's financial advisor's 2018 No Growth Cash Flow Analysis and recommendation that the District levy a 2018 debt service tax rate of \$0.057 per \$100 of assessed valuation. A copy of the analysis is attached. Following review and discussion, Director Gill moved to set a public hearing date to adopt a proposed total tax rate of \$0.145 per \$100 of assessed valuation at 8:30 a.m. on Wednesday, October 17, 2018, and authorize Bob Leared Interests, Inc. to publish the required notice of the hearing in the *Fort Bend Independent*. Director Chapline seconded the motion, which was approved by unanimous vote.

PUBLIC COMMUNICATION MATTERS

The Board reviewed correspondence from Fort Bend County Levee Improvement District No. 19 regarding Proposed Regional Drainage Improvements to Serve Lower Steep Bank Creek Watershed, a copy of which is attached. Following review and discussion, the Board directed MSAi to forward the correspondence to the District's engineer for review.

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



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

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