

## MINUTES

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

December 19, 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 19th day of December, 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:

Andre D. McDonald	President
Bryan K. Chapline	Vice President/ Assistant Secretary
Glen R. Gill	Secretary

and all of said persons were present, except for Director Gill who attended by recorded videoconference, thus constituting a quorum.

Also present for all or part of the meeting were Chang-hua Zhang and Angelina Zhang, residents of the District; Charles Chou, broker representative for Michael Tsau and Ju Liu; Russell Jones of The Holoway Jones Law Firm, P.L.L.C.; Jorge Diaz of McLennan & Associates, LP; Michelle Guerrero of Bob Leared Interests, Inc.; Mike Stone and Phil Martin of Mike Stone Associates, Inc. ("MSAi") Anthea Moran of Masterson Advisors LLC; Jorge Alba of the City of Sugar Land (the "COSL"); Bob Hodge and Phillip Nichols of Tech3 Business Systems, LLC; Rita Anderson, Hector Olmos, and Jason Ward of Freese and Nichols, Inc. ("FNI"); Mike Thelen and Tyler Werlein of LID Solutions, LLC; 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. Mr. Zhang addressed the Board to request clarification of the negotiation process for the purchase of his house for the District's proposed third storm water pump station and ancillary facilities and discussed his financial burdens related to the proposed purchase. Mr. Jones and Mr. Oliver discussed the procedures required to be followed by the District for the proposed purchase. Mr. Jones stated that he will follow up with Mr. Zhang after receiving additional authorizations from the Board.

Mr. Chou addressed the Board on behalf of his clients who own Lot 22, Block 2, of Austin Meadow Section 1, regarding the proposed purchase of their house for the District's proposed third storm water pump station and ancillary facilities. He discussed additional expenses to be incurred by his clients due to currently residing

outside of the country, including loss of tenant income, personal property storage, and travel. He stated his clients accept the appraisal presented by the District for the property.

There being no additional public comments, Director McDonald closed the meeting to public comments. A copy of the sign-in sheet for public comments is attached.

#### 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 corrections to the minutes and the engineer's report included in the Board Book. Following review and discussion, Director Chapline moved to approve the items included on the Consent Agenda, including the minutes of the Board meeting held November 14, 2018, and the engineer's report as corrected. 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

There were no additional tax assessment or collection matters.

#### ADDITIONAL FINANCIAL AND BOOKKEEPING MATTERS

Mr. Oliver reported that the financial advisor's annual disclosure in connection with the Municipal Securities Rulemaking Board's Rule G-10 has been distributed to the Board.

#### CONVENE EXECUTIVE SESSION

The Board convened in executive session at 8:55 a.m. to conduct a private consultation with its attorneys to discuss the purchase, exchange, lease, or value of real property pursuant to Section 551.072, 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 9:25 a.m., the Board reconvened in open session. Director Chapline moved to authorize Mr. Jones to continue negotiations and make final purchase offers on three

tracts of land for the District's proposed third storm water pump station and ancillary facilities, as discussed. Director McDonald seconded the motion, which was approved by unanimous vote, except for Director Gill who was not present for the vote.

#### STORM WATER MANAGEMENT PLAN, TRAINING, AND PUBLIC COMMENTS

The Board discussed the District's Storm Water Management Program in compliance with the Texas Commission on Environmental Quality's Phase II MS4 Permitting requirements. Mr. Oliver reviewed a Resolution Adopting Stormwater Guidance Manual and Stormwater Rule Violation Penalties. Following review and discussion, Director Chapline moved to adopt a Resolution Adopting Stormwater Guidance Manual and Stormwater Rule Violation Penalties. Director Gill seconded the motion, which was approved by unanimous vote.

#### GENERAL MANAGER MATTERS

Mr. Stone and 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 and reviewed a monthly website analytics report. In response to Director McDonald's inquiries regarding the District's recent advertisement in the First Colony Community Association's monthly newsletter, Mr. Martin stated that options for a revised advertisement will be presented at the January regular Board meeting.

Mr. Stone reviewed a draft outline for a proposed January newsletter providing an annual report of the District. A copy of the draft outline is included in the attached Board Book.

Mr. Martin reported that 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 is complete.

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 outfall rehabilitation project (the "Interior Ditch Rehabilitation Project"). Mr. Stone discussed a formal notification provided to the contractor, Texas Wall and Landscape LLC, regarding delays in the project schedule. Mr. Martin reviewed and recommended approval of Pay Application Nos. 4, and 5, each in the amount of \$0, and Pay Application No. 6 in the amount of \$220,153.51, payable to Texas Wall and Landscape LLC. Mr. Martin additionally recommended approval of the District's Pay Application No. 3 to the COSL for the COSL's outfall rehabilitation project in the amount of \$47,384.45. After review and discussion, Director Chapline moved to approve: (1) Pay Application Nos. 4, and 5, each in the amount of

\$0, and Pay Application No. 6 in the amount of \$220,153.51, payable to Texas Wall and Landscape LLC; and (2) the District's Pay Application No. 3 to the COSL for the COSL's outfall rehabilitation project in the amount of \$47,384.45 for the Interior Ditch Rehabilitation Project. Director Gill seconded the motion, which passed by unanimous vote. Copies of the pay applications are included in the attached Board Book.

Mr. Stone and Mr. Martin reported on the status of AECOM's design of the District's proposed third storm water pump station and ancillary facilities. A copy of AECOM's Progress Status Report is included in the attached Board Book. Mr. Martin discussed MSAi's investigation of options for generator power for the proposed pump station, including long-term contract purchase options. Mr. Martin recommended execution of a Mutual Nondisclosure and Limited Use Agreement with Enchanted Rock LLC required for review of a proposed contract for long-term generator power. The Board discussed a field visit conducted at the Texas A&M University to inspect and listen to a comparable back-up generator system. Following review and discussion, Director Chapline moved to authorize execution of the Mutual Nondisclosure and Limited Use Agreement with Enchanted Rock LLC. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Olmos gave a presentation regarding FNI's evaluation of the capacity of the District's Michael "Mike" Thelen Pump Station (aka Pump Station F), including modeling of the current and proposed pump configurations for the pump replacement project under design by Hatch Associates Consultants, Inc. A copy of Mr. Olmos' memorandum regarding Ditch F Criteria Evaluation is included in the attached Board Book. Mr. Olmos stated that, per the very preliminary and conservative results of the evaluation, an additional 150,000 gallons per minute, excluding a spare pump, is needed to meet Fort Bend County Drainage District's current drainage criteria requirements. Following review and discussion, the Board concurred to continue to move forward with the Michael "Mike" Thelen Pump Station (aka Pump Station F) pump replacement project, using the largest compatible pumps for the project and continue evaluating options for a phase 2 project to increase the capacity of the pump station. Director Chapline moved to approve the plans and specifications and authorize advertisement for bids for the phase 1 Michael "Mike" Thelen Pump Station (aka Pump Station F) pump replacement project, subject to agency approval. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Martin updated the Board on the status of the District's participation in the Harris County Flood Warning System pursuant to the District's Interlocal Agreement for Installation and Maintenance of Seven (7) Gauge Stations with the COSL. He reported that Harris County crews are installing the rainfall and stream gauge equipment and provided a website link for viewing all of the active gauges in Fort Bend County and the COSL. He stated that LJA is updating plans for expanding closed circuit television coverage for the drainage channels and Steep Bank Creek outfall. Following discussion, Director Chapline moved to approve the plans and specifications

and authorize advertisement for bids for the closed circuit television expansion project. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Martin stated that a progress report on FNI's hydrologic and hydraulics analyses of the District's drainage system is included in the attached Board Book.

Mr. Martin reported that additional field survey and hydrologic and hydraulics analyses must be completed prior to submission of a task order by LJA for design of a connection or diversion between the Ditch A and Steep Bank Creek watersheds to redirect flows away from the Steep Bank Creek outfall structure. Mr. Kalkomey stated that a cost estimate for the surveying will be presented at the January regular meeting of the Board. He stated that a summary of LJA's survey data to date is included in the attached Board Book.

Mr. Martin reported on District operation and maintenance activities, including the status of the biannual aerial survey of the District's facilities. Discussion ensued regarding operation and maintenance activities.

The Board concurred to table consideration of draft revised engagement letters with Husch Blackwell LLP, copies of which are included in the attached Board Book.

The Board discussed First Colony - Missouri City (also known as SugarStone) perimeter levee system matters, including Mr. Kalkomey's draft report regarding the levee conditions observed during the tour of the perimeter levee system held October 12, 2018. Mr. Kalkomey stated his finalized report will be distributed to the perimeter levee participants and newly elected Fort Bend County officials. Discussion ensued regarding conducting a tour of the perimeter levee system for the newly elected Fort Bend County officials. Following discussion, the Board concurred to conduct a tour at 8:00 a.m. on January 9, 2019, if the proposed participants are available.

Ms. Anderson reviewed FNI's Work Order No. 18 for updating the District's Emergency Preparedness Plan for the base fee amount of \$8,897.00. She reviewed two additional options for conducting a table top exercise to include only the District in the amount of \$7,909.00 and adding other upstream and downstream districts in the amount of \$9,811.00. Following review and discussion, Director Chapline moved to approve FNI's Work Order No. 18, including the two additional options, for the total amount of \$27,617.00. Director Gill seconded the motion, which was approved by unanimous vote. The Board requested that the newly elected Fort Bend County Judge and Commissioner for Precinct 4 be invited to the table top exercise.

There was no update on Ditch H matters.

#### OPERATION OF DISTRICT FACILITIES

The Board discussed maintenance and operation matters, including ditch slope

saturation sloughing matters. A copy of the operator's report is included in the attached Board Book.

#### ENGINEERING MATTERS, INCLUDING UPDATE ON BOND APPLICATION

Mr. Kalkomey reported that a draft bond application in the amount of \$48,000,000.00 has been distributed to the District's consultants for review. Mr. Martin stated the draft bond application is available for review on the District's document sharing site. Ms. Moran reported on her initial review of the application.

Mr. Kalkomey stated that, as previously reported, the United States Army Corps of Engineers ("USACE") acknowledged receipt of the District's response to 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 submitted August 27, 2018. He stated that no schedule was provided for additional USACE levee inspections. Discussion ensued regarding a change in USACE personnel and inviting the new personnel to the January 8, 2019, quarterly meeting of the First Colony - Missouri City (also known as SugarStone) perimeter levee system participants.

Mr. Kalkomey reported that he submitted to MSAi his approval of the COSL's plans for an additional sanitary sewer siphon at US Highway 59, east of Lake Pointe Parkway.

#### 2019 BOND ELECTION

The Board discussed procedures for a proposed bond election. Following discussion, Director Chapline moved to authorize Mr. Kalkomey to prepare an engineering report for a proposed May 4, 2019, Bond Election. Director Gill seconded the motion, which was approved by unanimous vote.

The Board considered designating an Agent of the Secretary of the Board during the 2019 Bond Election Period. Following discussion, Director Chapline moved to adopt a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2019 Bond Election Period designating Justine M. Cherne. Director Gill seconded the motion, which was approved by unanimous vote.

The Board reviewed a list of voting centers utilized by Fort Bend County during the November 6, 2018, General Election. Following review and discussion, the Board authorized ABHR to forward polling place recommendations to the Fort Bend County Elections office for the District's proposed May 4, 2019, Bond Election to include the Lost Creek Conference Center, the First Colony Conference Center, and the Sugar Land City Hall.

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

Mr. Martin recommended execution of a Consent to Encroachment for Fibernet Direct Texas, LLC for the installation of underground telecommunication lines at the west levee at Lexington Boulevard and Oyster Creek levee at US Highway 59, pending finalization of the exhibits and receipt of the required deposit. A copy of the draft document is included in the attached Board Book. Following review and discussion, Director Chapline moved to authorize execution of the Consent to Encroachment, pending finalization of the exhibits and receipt of the required deposit. 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. Mr. Martin noted that copies of Levee Issues Alliance/FAIR's November 2018 Activities Summary and National Association of Flood & Stormwater Management Agencies December 12, 2018 Update are included in the attached Board Book.

## EMINENT DOMAIN REPORT

Ms. Cherne reported on the District's filing requirements related to eminent domain authority and stated that the District's Eminent Domain Authority Annual Report will be filed with the Comptroller of the State of Texas as required.

## MEETING SCHEDULE

The Board concurred to cancel its January 2, 2019, workshop meeting and hold its January 16, 2019, regular meeting at 8:30 a.m. at the William "Bill" Little Pump Station. The Board noted that the next quarterly meeting of the First Colony - Missouri City (also known as SugarStone) perimeter levee system participants is scheduled January 8, 2019, and a tour of the perimeter levee system is tentatively scheduled at 8:00 a.m. on January 9, 2019.

CONSIDER USE OF EMINENT DOMAIN AUTHORITY TO CONDEMN PROPERTY AND, IF APPROPRIATE, ADOPT RESOLUTIONS AUTHORIZING ACQUISITION OF REAL PROPERTY TO CONFIRM THE EXISTENCE OF A PUBLIC NECESSITY FOR THE ACQUISITION OF CERTAIN PROPERTIES AND PROPERTY DESCRIBED IN THE RESOLUTIONS AND AUTHORIZE THE INITIATION OF CONDEMNATION PROCEEDINGS TO ACQUIRE SUCH PROPERTIES AND PROPERTY INTERESTS. SUCH RESOLUTIONS ARE MORE SPECIFICALLY DESCRIBED AS FOLLOWS:

- A. A Resolution of the Board of Directors of Fort Bend County Levee

Improvement District No. 2, Determining That All of Lot 21, Block 2, of Austin Meadow Section 1, a Subdivision in Fort Bend County, Texas According to the Map or Plat Thereof Recorded at Slides No. 959/A And 959/B of the Fort Bend County Public Records, is Needed for the Construction, Operation, Maintenance, Inspection, Replacement, and Removal of a Supplemental Pump Station, and Authorizing the Institution of Eminent Domain Proceedings ("Resolution A").

Director Chapline moved to adopt Resolution A as presented. Director Gill seconded the motion. Directors McDonald, Gill, and Chapline voted for Resolution A. No Directors voted against Resolution A. Director McDonald, President and Presiding Officer of the meeting, announced that Resolution A had passed.

B. A Resolution of the Board of Directors of Fort Bend County Levee Improvement District No. 2, Determining That All of Lot 22, Block 2, of Austin Meadow Section 1, a Subdivision in Fort Bend County, Texas According to the Map or Plat Thereof Recorded at Slides No. 959/A And 959/B of the Fort Bend County Public Records, is Needed for the Construction, Operation, Maintenance, Inspection, Replacement, and Removal of a Supplemental Pump Station, and Authorizing the Institution of Eminent Domain Proceedings ("Resolution B").

Director Chapline moved to adopt Resolution B as presented. Director Gill seconded the motion. Directors McDonald, Gill, and Chapline voted for Resolution B. No Directors voted against Resolution B. Director McDonald, President and Presiding Officer of the meeting, announced that Resolution B had passed.

C. A Resolution of the Board of Directors of Fort Bend County Levee Improvement District No. 2, Determining That All Of Lot 1, Block 3, of Austin Meadow Section 1, a Subdivision in Fort Bend County, Texas According to the Map or Plat Thereof Recorded at Slide No. 959/A of the Fort Bend County Public Records, is Needed for the Construction, Operation, Maintenance, Inspection, Replacement, and Removal of a Supplemental Pump Station, and Authorizing the Institution of Eminent Domain Proceedings ("Resolution C").

Director Chapline moved to adopt Resolution C as presented. Director Gill seconded the motion. Directors McDonald, Gill, and Chapline voted for Resolution C. No Directors voted against Resolution C. Director McDonald, President and Presiding Officer of the meeting, announced that Resolution C had passed.

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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