

MINUTES

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 2

June 18, 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 18th day of June, 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 Daryl Flatt, Charlie Green, Jonathan McClellan, and John Van De Wiele, residents of the District; Joe R. Zimmerman, Mayor of the City of Sugar Land (the "COSL") and resident of the District; Jorge Alba of the COSL; Russell Jones of The Holoway Jones Law Firm, PLLC; Mike Stone, Phil Martin, and Jim Kidda of Mike Stone Associates, Inc. ("MSAi"); Jorge Diaz of McLennan & Associates, LP; Michelle Guerrero of Bob Leared Interests, Inc.; David Beyer of Storm Water Solutions, LLC; Bob Hodge of Tech3 Business Systems, LLC; Ron Cass of AECOM via teleconference; Greg Bowen, Costa Pappasideris, and Payson Tucker of Enchanted Rock Solutions, LLC ("Enchanted Rock"); Mike Thelen, Jason Klump, and Tyler Werlein of LID Solutions, LLC; Craig Kalkomey of LJA Engineering, Inc. ("LJA"); Mike Stafford of Husch Blackwell LLP ("HB"); and David Oliver and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

Director McDonald thanked the residents of the District for their presence. 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.

Mr. McClellan addressed the Board to request that the Board add an item to a future meeting agenda for public discussion of the Board's plans for responding to neighboring levee improvement districts' requests to take the flow of Steep Bank Creek into the District.

Mr. Flatt addressed the Board regarding his concerns related to (1) water flow from the power line easement into Ditch A in conjunction with a potential flow of water

from a project contemplated by the COSL located north of Austin Parkway; and (2) implementing automatic operation of outfall gates and pumps when tail water is in the Ditch H watershed.

Mr. Green addressed and complimented the Board. He requested that the Board add an item to a future meeting agenda for public discussion of any planned closure or payment to neighboring levee improvement districts related to the Steep Bank Creek outfall prior to any Board actions regarding these matters.

Mr. Zimmerman addressed the Board regarding his concerns and opposition related to (1) the spending of District money on federal lobbying efforts and any expense that does not impact the District's drainage; and (2) the Board's engagement of attorneys and engineers located outside of the State of Texas. Mr. Zimmerman stated that federal lobbying efforts are a county responsibility and requested that the Board add an item to its next meeting agenda to report on how much money was spent on federal lobbying efforts, including conference expenses and travel, and what has been accomplished by such efforts. He stated that all Fort Bend County levee improvement districts and the COSL should jointly participate in the costs of any drainage studies for the area.

Mr. Van De Wiele discussed his credentials and addressed the Board regarding his concerns and opposition related to (1) the potential replacement of the District's current legal counsel; (2) the District's payment of costs for a fragility study without a cost sharing agreement with other entities; (3) engagement of a firm from London to perform Phase 2 of a fragility study due to the availability of many experienced local firms; and (4) any work on Phase 2 of the fragility study.

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

In response to the Board's request, Mr. Stone explained how the District's levee system and outfall gates work, including during the Hurricane Harvey and May 7, 2019, rain event. He stated that the Steep Bank Creek outfall was not closed during the May 7, 2019, rain event and all of the District's facilities were operating as designed during the event. He discussed operation of the Steep Bank Creek outfall in a manner to minimize the amount of water flow from the power line easement to the Riverstone neighborhoods without causing flooding in the District. Mr. Stone explained that Riverstone is required to take the flow from the Steep Bank Creek outfall. He stated there has been a preliminary request for the District to share in the costs of increasing pumping capacity for Riverstone, including operations and maintenance costs, and no proposal related to the request has been presented to the District. Mr. Stone stated that the District is evaluating other options for draining the power line easement without

sharing in Riverstone's increased pumping capacity costs.

Mr. Martin and Mr. Beyer explained that the District cannot manually close its outfall gates and that the outfall gates operate automatically using gravity. Mr. Thelen stated that the pumps are working when the gates are closed.

Mr. Stone informed the meeting attendees that facility operations information is located on the District's website for public access. He stated that the Fort Bend County Commissioners Court appoints the Board members and that the District operates pursuant to federal, state, and local regulations, including Fort Bend County's Drainage Criteria Manual. Director McDonald, Mr. Stone, and Mr. Oliver explained levee certification and accreditation procedures and requirements, including the District's coordination with Fort Bend County and the Federal Emergency Agency ("FEMA") as participants in the First Colony - Missouri City (also known as SugarStone) perimeter levee system.

Mr. Stone discussed the District's current emphasis on improving internal drainage. He reported on 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. He explained that the District does not own or maintain the storm sewer system. In response to Mr. McClellan's questions regarding whether the District can be required to accept the flow from the Steep Bank Creek outfall, Mr. Zimmerman stated that the COSL has jurisdiction regarding the matter and that it would be very difficult to implement.

In response to the Board's request, Mr. Stone explained current Brazos River conditions. He stated that the elevation of the river is normally 12 to 14 feet. He stated that the elevation of the Brazos River is approximately 33 feet and has been not been below the District's emergency preparedness action level of 20 feet for months. He stated that the capacities of the state's upstream reservoirs are greater than 100% and they are discharging. He stated that the pump station is manned 24 hours a day when the Brazos River elevation is approximately 37 to 38 feet.

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.

The Board concurred to remove the bookkeeper's report from the Consent Agenda. Following review and discussion, Director Chapline moved to approve the remaining items included on the Consent Agenda, including the minutes of the Board meetings held May 1, May 3, and May 15, 2019. 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 FINANCIAL AND BOOKKEEPING MATTERS

Director Gill responded to Director Chapline's questions regarding his conference expenses and confirmed he had no meal charges.

The Board discussed an invoice from HB. Director Chapline expressed his concerns regarding the amount of the District's funds expended for lobbying services over the prior four years versus local flood fighting. Director Gill noted that a written explanation was received from HB indicating that charges for permitting, parametric insurance, and other services are included in the prior four years of HB's invoices. He discussed the need to address legislative and regulatory development matters related to federal levee, floodplain management, and flood insurance matters with potential significant impacts on Fort Bend County levees. Discussion ensued regarding communicating with Fort Bend County Commissioner DeMerchant and coordinating with the Fort Bend County Judge and Commissioners Court, and other Fort Bend County levee improvement districts regarding these matters. Following review and discussion, Director Gill moved to approve the bookkeeper's report. Director Chapline seconded the motion, with the exception of HB's invoice. The motion died for lack of a vote.

Mr. Diaz presented (1) four additional checks from the General Fund for payment of bond disclosure counsel services, monthly information technology services, information technology services for the District's annual tabletop exercise, and printing fees for the District's newsletter in the total amount of \$21,372.67; and (2) one additional check from the Capital Improvement Fund for payment of storm water management preventative program services for the District's project to rehabilitate Ditches B, B-1, C, C-1, and E in the total amount of \$48,900.005. A list of the additional checks is attached. Following review and discussion, Director Chapline moved to approve the bookkeeper's report and the five additional checks as presented, with the exception of HB's invoice. Director Gill seconded the motion. Discussion ensued regarding HB's prior invoices, budget, services, and proposed revised services included in an amended engagement letter, and reports received from Dan Delich of Floodplain Alliance for Insurance Reform. Following discussion, the motion was approved by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Guerrero reported on the District's tax collections. Following discussion, Director Gill moved to authorize the delinquent tax attorney to proceed with collection of delinquent taxes. Director Chapline seconded the motion, which was approved by unanimous vote.

STATEMENT OF QUALIFICATIONS FOR LEGAL SERVICES

The Board discussed a schedule for evaluating Fort Bend County Commissioner DeMerchant's recommendation that the District contract with the Fort Bend County Tax Assessor-Collector's office for services. Mr. Stone stated that the evaluation will be scheduled to meet Fort Bend County's July, 2020 deadline for the contract.

The Board discussed soliciting Statements of Qualifications for legal and lobbying services from several different law firms. Mr. Stone discussed the process for soliciting professional services pursuant to state law. Following discussion, Director Gill moved to authorize MSAi to prepare Statements of Qualifications for legal and lobbying services for the Board's review. Director McDonald seconded the motion, which was approved by unanimous vote.

Director Chapline requested that an item to reorganize the Board be placed on the next meeting agenda.

RESOLUTION NOMINATING CANDIDATE

Mr. Oliver reviewed the procedures for nominating a candidate for the Board of Directors Election for the Fort Bend Central Appraisal District and reported that a list of nominees will be distributed soon. Following discussion, Director Chapline moved to nominate Director McDonald as a candidate for the Board of Directors Election for the Fort Bend Central Appraisal District. Director Gill seconded the motion, which was approved by majority vote, with Director McDonald abstaining from the vote.

RECEIVE STORM WATER MANAGEMENT PROGRAM REPORT

Mr. Beyer presented the proposed Notice of Intent ("NOI") and Storm Water Management Program ("SWMP") prepared for the District in accordance with the requirements set forth in the TPDES General Permit No. TXR040000. He distributed a document outlining the goals and responsibilities identified in the SWMP for future implementation during the five-year permit term and minimum control measures and elements included in the SWMP. A copy of the SWMP document is attached. Mr. Beyer stated there was no change in the budget for Year One of the SWMP. Following review and discussion, Director Gill moved to approve the NOI and SWMP, authorize submittal to the Texas Commission on Environmental Quality, and direct that the NOI and SWMP be filed appropriately and retained in the District's official records. Director Chapline seconded the motion, which was approved by unanimous vote.

AMENDED AND RESTATED RESOLUTION DELEGATING AUTHORITY

The Board discussed previous delegations of authority to the District's General Manager and Construction Manager. Following review and discussion, Director Chapline moved to adopt a Resolution Delegating Authority authorizing Mr. Martin to

approve (1) quotes, proposals, and work orders for District maintenance and repair items in amounts that do not exceed \$10,000.00; (2) contracts for District maintenance and repair items in amounts that do not exceed \$10,000.00, after review and approval, as to form, by the District's attorneys; and (3) change orders and work orders for District construction contracts in an amount not to exceed \$25,000 or 10% of the contract, when such approval is time sensitive; and requiring that Mr. Martin or a representative of MSAI inform the Board of all quotes, proposals, work orders, change orders, and contracts approved pursuant to the delegated authority at the next regular meeting of the Board following any such approval. Director Gill seconded the motion, which was approved by unanimous vote.

GENERAL MANAGER MATTERS (CONTINUED)

Mr. Stone and Mr. Martin reported on General Manager matters, including public communication activities 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. Martin reported on public communication matters, including public meetings regarding the District's operations during the May 7, 2019, rain event and capital improvement projects held with the Chimney Stone Homeowners Association and Sweetwater neighborhood, and in coordination with the COSL for all District residents on June 13, 2019. He reported on a public meeting regarding the District's project to construct a third storm water pump station and ancillary facilities held with the Austin Meadows neighborhood on June 5, 2019.

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 LJA is preparing revised plans and specifications and bid documents for Ditches B, B-1, and E. He reported that Texas Wall & Landscape is working to complete block installation, repair of damaged blocks, final grading, site cleanup, and turf re-establishment on the slopes of Ditch C. He stated that a copy of Pay Estimate No. 11 submitted by Texas Wall & Landscape in the amount of \$304,442.33 and approved by the Board is included in the attached Board Book. He reviewed draft final pay estimate and change order amounts for Ditch C and stated the finalized pay estimate and change order are anticipated to be ready for Board approval at the July regular meeting. Mr. Stone responded to Board members' questions regarding resident concerns related to damaged sidewalks at the site and contractor responsibilities related to sidewalks. He explained that the contract for the project did not require the contractor to repair or replace damaged sidewalks because the COSL will replace the sidewalks after the District completes the project. He stated that he is working with the COSL on sidewalk repair/replacement matters for the District's proposed future Ditch A expansion project.

Mr. Martin reported on LJA's preparation of a Preliminary Engineering Report for expanding the storage of Ditch A. He stated that LJA is developing a project schedule that will begin with light detection and ranging surveying of Ditch A. Discussion ensued regarding the accuracy of the proposed surveying and surveying of the entire District performed in 2014.

Mr. Martin reviewed a chart of Contract Balances and Cashflow for the District's Capital Improvement Fund, a copy of which is attached. Mr. Oliver explained procedures for using any remaining excess funds from the sale of the District's \$48,000,000 Unlimited Tax Bonds, Series 2019.

Mr. Martin reported that the finalized Integrated Reliability On Call Master Service Agreement ("Master Service Agreement") and Ground Lease Agreement (together "Agreements") for back-up generator power services for the District's proposed third storm water pump station and ancillary facilities, Contract No. 2 for the project, is included on the document sharing website for the Board's review. Mr. Cass reviewed the scope of services included in the Agreements and responded to Board members' questions regarding redundancy for providing power in the case of the failure of switch gear. Mr. Tucker discussed the locations of Enchanted Rock's equipment warehouses in response to Board members' inquiries. Following review and discussion, Director Gill moved to authorize execution of the finalized Agreements. Director Chapline seconded the motion, which was approved by unanimous vote.

Mr. Martin reported on the status of AECOM's design of the District's proposed third storm water pump station and ancillary facilities project. He discussed the proposed schedule for bidding in August, 2019, and awarding contracts in September, 2019, for Contract No. 3, pump station construction, and Contract No. 4, administration and operations building construction.

Mr. Martin reported on the status of AECOM's design of Contract No. 6, 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. Stone discussed the proposed schedule for bidding in July, 2019, and awarding a contract in August, 2019. Following review and discussion, Director Chapline moved to approve the plans and specifications and authorize advertisement for bids for Contract No. 6 for the District's proposed third storm water pump station and ancillary facilities project, pending finalization. Director Gill seconded the motion, which was approved by unanimous vote.

Mr. Martin recommended approval of AECOM's Task Order No. 2A for the District's proposed third storm water pump station and ancillary facilities project in the amount of \$110,199.00. A copy of the task order is included in the attached Board Book. Mr. Martin stated the task order includes increased scope of work related to re-platting,

surveying, and agency coordination for the three residential tracts of land recently acquired for the project, additional geotechnical study to evaluate the impact of dewatering on the adjacent property, and the addition of Bid Package/Contract No. 6 to the project. Following review and discussion, Director Chapline moved to approve AECOM's Task Order No. 2A in the amount of \$110,199.00 as presented. Director Gill seconded the motion, which was approved by unanimous vote.

In response to the Board's inquiry, Mr. Jones stated that he is waiting for Board direction prior to responding to a counteroffer received in response to the District's offer for acquisition of right-of-way consisting of a 15-foot wide tract of land owned by the FCCA, approximately 147 feet long and located within a portion of Reserve F and along the proposed third storm water pump station site, between 2602 Oakland Drive and Ditch H.

Mr. Kalkomey 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 the contractor's pump submittal was approved. He stated that installation will begin in approximately 22 weeks after the pumps are manufactured and delivered. He stated the length of time for installation of the pumps, housing, and check valves is approximately one day for each pump.

Mr. Kalkomey reported on the status of the design of the District's increased capacity project for the Michael "Mike" Thelen Pump Station. He reported on coordination with MSAi and discussions with a pump manufacturer and Neil Technical Services to develop options for increasing capacity with a smaller footprint. He stated that proposed options will be presented for the Board's consideration at its next scheduled workshop meeting.

Mr. Kalkomey reported on the status of the District's flood monitoring system project. He stated that a majority of the site work for the cameras and stream gauges has been completed and completion of the project will be delayed for several months pending delivery of the new camera poles.

Mr. Martin discussed Freese and Nichols, Inc.'s ("FNI") completed hydrologic and hydraulics analyses of the District's internal drainage system and progress made on forecasting the length of time it will take for water levels in the streets to dissipate during rain events. He reported that FNI created graphical information regarding these matters that was used during recent public presentations. He stated that FNI will update the graphical information with the impact of increased pumping capacity, proposed ditch widening, and storage improvements on water elevations in the District's ditches during Hurricane Harvey and rain events that occur coincidentally with the Brazos River preventing gravity flow from the District's drainage system. Mr. Stone stated that the COSL has requested that the information be communicated to the

COSL for public dissemination.

Mr. Martin reported that he had no updates regarding the Steep Bank Creek outfall.

Mr. Martin reported that a final draft of the District's Operations and Maintenance Manual is included on the file sharing website for Board review. He stated that he anticipates approval of the final updated Operations and Maintenance Manual at the July regular meeting of the Board.

Mr. Martin reported that a final draft of the District's Emergency Preparedness Plan is included on the file sharing website for Board review. He stated that he anticipates approval of the final updated Emergency Preparedness Plan at the July regular meeting of the Board.

Mr. Martin reported that copies of the perimeter levee system participants' inspection reports for April and May, 2019 are included in the attached Board Book for Board review.

Mr. Martin stated that the HR Wallingford Group Ltd.'s Task Order No. 1 for Phase 2 fragility, reliability, and resiliency analyses of the District's levee system was suspended at 30% completion. He stated that approximately \$140,000 of the scope and budget remain incomplete on Task Order No. 1. A copy of the task order is included in the attached Board Book. Director McDonald stated that performance of the analysis is critical for the District to be able to respond to FEMA's anticipated implementation of Risk Rating 2.0 which will change the method for determining how much homeowners are charged for participating in the National Flood Insurance Program. Discussion ensued regarding reviewing the scope of work included in Task Order No. 1 in conjunction with the proposed new rating method, coordinating with the Fort Bend County Commissioners Court and Fort Bend County levee improvement districts on the proposed study, and developing a Request for Qualifications for national and local engineering companies specializing in levees. Following review and discussion, Director Chapline requested that Director McDonald discuss the matter with Fort Bend County Commissioner DeMerchant and provide an update on the discussions under an item to be added to the next Board meeting agenda.

OPERATION OF DISTRICT FACILITIES

Mr. Klump reported on maintenance and operation matters, including 24-hour staffing of the District's William "Bill" Little Pump Station over the past couple of weeks due to the level of the Brazos River. He reported that the diesel fuel tanks at the pump stations have been repainted and discussed repair of a fence and maintenance of the houses located on the three residential tracts of land recently acquired for the District's proposed third storm water pump station and ancillary facilities project. He

reported on solicitation of quotes for additional tree maintenance. A copy of the operator's report is included in the attached Board Book.

Mr. Thelen reported on televising to be performed for conduits at the levee near the Michael "Mike" Thelen Pump Station.

Mr. Thelen reported on his coordination with Mr. Alba regarding determining whether the valve to the 16-inch main water line at Oakland Drive is closed.

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 that 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 has not been received.

Mr. Kalkomey reported that the USACE Galveston District has been tasked with performing screenings for all levee segments in the SugarStone perimeter levee system. He stated the purpose of the screening process is to identify and evaluate the safety issues of the levee system and assess the flood risk involved. He reported that he is coordinating with MSAi to respond to the initial document request by the USACE and a tour of the perimeter levee to be held with the USACE on June 26, 2019. In response to Director Gill's question, Mr. Kalkomey and Mr. Stone reported that the tour is focusing on the ability of the levee to protect the property inside the levee from the Brazos River.

Mr. Kalkomey reported that he is currently reviewing the revised construction plans for the COSL's 24-inch Sanitary Sewer Siphon Project at I-69 underneath Oyster Creek.

Mr. Kalkomey reported that he has reviewed the COSL's draft easement for its Mesquite North Drainage Improvements Project and has no objections. He stated that he will review the construction plans showing the connection into Ditch A as soon as it is received.

Mr. Kalkomey reviewed the status of design and preparation of Preliminary Engineering reports for the Michael "Mike" Thelen Pump Station Increased Capacity and Ditch A Expansion Projects. He reported on the status of construction for the pump replacement project at the Michael "Mike" Thelen Pump Station and the flood monitoring system.

Mr. Kalkomey reported on the status of LJA's work orders related to additional lightning protection for the District's pump stations, relocation of the Steep Bank Creek

outfall control, and Ditch H bank erosion at Station 80+00.

Mr. Kalkomey reported on his coordination with the COSL and MSAi on preparing a summary of initial damages caused by the May 7, 2019, rain event. Mr. Alba stated that approximately 60 houses inside of the COSL were flooded from the rain event.

DEEDS, EASEMENTS, RIGHT OF ENTRY, AND ENCROACHMENTS

The Board concurred to defer 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. Director McDonald stated that he and Director Gill previously discussed their attendance and what they learned at the Association of State Floodplain Managers and the National Association of Flood and Stormwater Management Agencies conferences. He stated that he was attending the Texas Water Conservation Association's ("TWCA") Mid-Year Conference to be held June 19 - 21, 2019, in Galveston, Texas. Following discussion, Director Gill moved to authorize Director McDonald's attendance at the TWCA Mid-Year Conference. Director McDonald seconded the motion, which was approved by majority vote with Director Chapline opposed. Director Chapline requested that an item to review travel expenses be added to the next Board meeting agenda due to the status of the District's finances and residents' concerns.

MEETING SCHEDULE

The Board concurred to cancel its July 3, 2019, workshop meeting and hold its July 17, 2019, regular meeting at 8:30 a.m. at the William "Bill" Little Pump Station.

CONVENE EXECUTIVE SESSION


The Board convened in executive session at 11:59 a.m. to conduct consultation with its attorney 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, Mr. Martin, and Mr. Kalkomey 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 12:24 p.m., the Board reconvened in open session. No action was taken by the

Board.

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



Secretary, Board of Directors

(SEAL)

