

MINUTES  
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

November 4, 2010

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 11 (the "District") met in special session, open to the public, on the 4th day of November, 2010, inside the boundaries of the District, at the Greatwood Lakes Building, 19855 Southwest Freeway, Sugar Land, Texas, and the roll was called of the members of the Board:

Ron McCann	President
Michael E. Stone	Vice President/ Assistant Secretary
Jared Jameson	Secretary/ Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Michael McCall of McCall Gibson Swedlund Barfoot PLLC; Greg Cox of Sandersen Knox & Co., PLLC; and Lynne B. Humphries of Allen Boone Humphries Robinson LLP.

RECEIVE AND REVIEW AUDITING PROPOSALS

The Board concurred first to receive a proposal from McCall Gibson Swedlund Barfoot PLLC ("McCall"). Mr. McCall reviewed the proposal from McCall for preparation of the District's audit for the fiscal year ended September 30, 2010, for an estimated fee of between \$9,000 and \$10,000. He said that McCall only audits governmental entities, water districts, and non-profit organizations. Mr. McCall then reviewed a list of McCall's clients and stated that McCall performs the audits on all of the Greatwood Municipal Utility Districts. He reviewed his credentials, experience, and the personnel of his firm. Mr. McCall stated that McCall timely files audits with the Texas Commission on Environmental Quality ("TCEQ") as required by law. In response to a question from Director Jameson, Mr. McCall said that he would be the partner in charge of the District's audit. Mr. McCall also responded to a question about "audits gone wrong," which was related to "political" matters. He responded to Director Jameson's question regarding what makes a successful relationship in an auditing role. Mr. McCall also reviewed McCall's pro bono work. In response to a question from Director McCann, Mr. McCall stated that he works with Myrtle Cruz, Inc. ("MCI") on approximately 50 districts. Mr. McCall then left the meeting.

Mr. Cox next reviewed a proposal from Sandersen Knox & Company, PLLC ("SKC") for preparation of the District's audit for an estimated fee of \$9,250. He reviewed the history of his firm and stated that the company is based in Sugar Land. Mr. Cox added that all three partners of his firm live in Fort Bend County, and that he

lives in Greatwood. He reviewed with the Board a list of SKC's clients and the types of audits performed by SKC. Mr. Cox stated that SKC has never missed an audit filing deadline and has also worked with MCI. In response to a question from Director McCann, Mr. Cox said the audit is a prescribed format from the TCEQ and that the SKC audit will look substantially the same as prior District audits. In response to questions from Director Jameson, Mr. Cox said that he would be the point person from SKC on the District's audit. Mr. Cox discussed audits "gone wrong" and described what he thought makes a good auditor relationship. Director Stone asked Mr. Cox about the fee for consultant contract review and Mr. Cox stated that consultant contracts are reviewed on a sampling basis and on risk assessment. Mr. Cox described the review process. In response to a question from Director McCann, Mr. Cox reviewed the charitable work done by SKC in Fort Bend County. In response to an additional question from Director McCann, Mr. Cox stated that the audit fee estimate is per year for three years. Mr. Cox then left the meeting.

The Board reviewed a proposal from Null-Lairson, P.C. for preparation of the District's audit for an estimated fee of \$9,500.

The Board reviewed a proposal from BKD, LLP for preparation of the District's audit for an estimated fee of \$11,000.

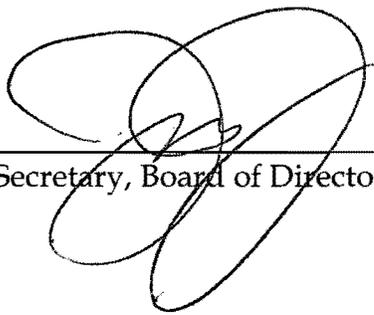
The Board then reviewed a proposal from McGrath & Co., PLLC, the District's current auditor, for preparation of the District's audit for an estimated fee of \$10,200.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2010

The Board reviewed and discussed the auditing presentations and proposals from each of the auditors. After review and discussion, Director Jameson moved to engage SKC to conduct the District's audits for the fiscal year ends September 30, 2010-2012. Director Stone seconded the motion, which passed unanimously.

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



  
Secretary, Board of Directors