

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

March 22, 2011

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 11 (the "District") met in regular session, open to the public, on the 22nd day of March, 2011, 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 Bob Grant, resident of the District; Erin Garcia of Myrtle Cruz, Inc.; Greg Ordeneaux of Tax Tech, Inc.; Michael Rusk of LJA Engineering & Surveying, Inc. ("LJA"); Jeff Perry of SWWC Services, Inc. ("SWWC"); and Lynne B. Humphries and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the February 22, 2011, regular meeting, which were provided in advance of the meeting. Following review and discussion, Director Jameson moved to approve the minutes as submitted. Director Stone seconded the motion, which was approved by unanimous vote.

COMMENTS AND QUESTIONS FROM THE PUBLIC

There were no public comments.

RENEWAL OF INSURANCE POLICIES

The Board reviewed a proposal from SIG/McDonald & Wessendorff Insurance, previously known as Anco-McDonald Waterworks Insurance Services, for renewal of the District's insurance policies effective April 5, 2011. After review and discussion, Director Stone moved to approve the proposal for renewal of the District's insurance policies. Director Jameson seconded the motion, which passed unanimously.

ENGAGEMENT OF COMPANY TO CONDUCT ARBITRAGE REBATE STUDY

Ms. Humphries presented a proposal from OmniCap Group LLC to perform

final arbitrage rebate and yield restriction compliance services related to the District's \$9,265,000 Unlimited Tax Levee Improvement Refunding Bonds, Series 1998 ("Series 1998 Refunding Bonds"). She said that March 1, 2011, was the final payment and the Series 1998 Refunding Bonds are no longer outstanding. Following review and discussion, Director Jameson made a motion to approve the proposal related to the Series 1998 Refunding Bonds. Director Stone seconded the motion, which carried unanimously.

ANNUAL REPORT

Ms. Humphries reviewed the District's Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System in compliance with SEC Rule 15c12-12 and with the Municipal Advisory Council of Texas, the State Information Depository, by March 31, 2011. Following review and discussion, Director Stone moved to approve the Annual Report to be filed in compliance with the continuing disclosure provisions contained in the bond resolutions and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Jameson seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, including the investment report, monthly budget comparison, and list of checks presented for approval. A copy of the bookkeeper's report is attached. Following review and discussion, Director Stone moved to approve the bookkeeper's report and payment of the bills. Director Jameson seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Mr. Ordeneaux distributed and reviewed the tax assessor/collector's report, a copy of which is attached. Following review and discussion, Director Stone moved to approve the tax assessor/collector's report. Director Jameson seconded the motion, which passed by unanimous vote.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Humphries reviewed a Resolution Concerning Exemptions from Taxation with the Board. She reviewed the optional exemptions, including a general residential homestead exemption, an exemption of travel trailers, and a homestead exemption for disabled persons or persons over 65 years of age. Ms. Humphries noted that the District granted a homestead exemption of \$30,000 for disabled persons or persons over 65 years for the previous tax year. Discussion ensued regarding exemptions granted by

Greatwood municipal utility districts. Mr. Grant addressed the Board and stated that the value of his home has risen since the District's exemption was originally adopted. After review and discussion of the Board's desire to have all Greatwood Districts adopt the same amount of over 65/disabled exemption, Director Stone moved to adopt the Resolution Concerning Exemptions from Taxation, reflecting that the Board of Directors rejects a general residential homestead exemption, rejects any exemption of travel trailers from ad valorem taxation, and grants a \$30,000 homestead exemption for disabled persons or persons over 65 years of age, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Jameson seconded the motion, which passed by unanimous vote. Director McCann asked ABHR to request Fort Bend County Municipal Utility Districts Nos. 108 and 109 consider decreasing their over 65/disabled exemptions to \$30,000 from \$40,000 and for Fort Bend County Municipal Utility Districts Nos. 106 and 117 to increase from \$20,000 to \$30,000.

PHASE II MS4 STORMWATER MANAGEMENT PLAN IMPLEMENTATION

Ms. Humphries reported that the Storm Water Management Plan Committee meeting previously scheduled for March 21, 2011, has been rescheduled for April 18, 2011. The Board discussed options for street cleaning within the District.

OPERATION OF DISTRICT FACILITIES

Mr. Perry distributed and reviewed the operator's report, a copy of which is attached. He reported on operations and maintenance performed during the previous month, as indicated in the operator's report. He explained that the higher cost of the annual cleaning, de-silting, and caulking of the District's outfall structure no. 2 was due to the presence of increased silt in the bottom of the channel caused by termination of mowing and maintenance of the sides of the channel. He stated that the mowing and maintenance was terminated because the sides of the channel were designed to grow natural vegetation to prevent sloughing. He stated that the annual budget may need to be increased \$2,000 to \$3,000 or cleaning will be reduced to twice each year under the current budgeted amount. Discussion ensued regarding maintenance of an area near diversion channel no. 2. Following discussion, Mr. Perry stated that he will present a proposal for such maintenance at next month's meeting.

After review and discussion, Director Stone moved to approve the operator's report. Director Jameson seconded the motion, which passed unanimously.

ENGINEERING MATTERS AND PROPOSAL FROM T-MOBILE FOR INSTALLATION OF ANTENNA

Mr. Rusk distributed and reviewed the engineer's report, a copy of which is attached. He updated the Board on the plans for repair of the shoreline retaining wall erosion around the large detention pond and the Directors provided comments

regarding the plans.

Mr. Rusk said he had no update regarding the certification of the perimeter levee by the Federal Emergency Management Agency ("FEMA").

Mr. Rusk noted that LJA previously completed the preliminary inspection of the District's pump station and structures, levees, and ditches, based on the U.S. Army Corps of Engineers Rehabilitation and Inspection Program ("RIP") standards, and that the inspection report was previously presented to the Board. Discussion ensued regarding maintenance standards for the District's levee facilities that are part of the perimeter levee system. Following discussion, the Board concurred that only the segment of the District's levee that is part of the perimeter levee should be maintained to RIP standards, unless FEMA requires RIP standards for "redundant" levees. Mr. Rusk stated that he will report on the inspection of the District's redundant levees at next month's meeting.

Mr. Rusk then updated the Board on the District's bond application no. 6, noting that the application was submitted to the Texas Commission on Environmental Quality ("TCEQ") on December 22, 2010, and declared administratively complete.

Mr. Rusk updated the Board on the status of the proposal from T-Mobile to lease a 30' x 40' area of District property at pump station no. 1 for the construction of a 100' monopole cell tower and a small group of equipment cabinets at the base of the tower. He reported that he forwarded e-mail correspondence to the T-Mobile representative, John Bebout, to request that T-Mobile's annual offer be increased to \$25,000, with a 3% annual increase, and that the Disaster Preparedness Committee's radio transmitter be added to the pole. He reported that the correspondence included a preliminary cost estimate in the amount of \$16,000 for T-Mobile's share of construction of an access road to the property, and notification that T-Mobile's pro-rata share of the costs will be equal to 50% of the actual cost. Following discussion, the Board requested that Mr. Rusk follow-up with Mr. Bebout and coordinate with ABHR on the preparation of a lease agreement between the District and T-Mobile.

After review and discussion, Director Stone moved to approve the engineer's report as presented. Director Jameson seconded the motion, which passed unanimously.

DISASTER PREPAREDNESS COMMITTEE MATTERS

Director Stone reported that the Disaster Preparedness Committee is scheduled to meet on May 11, 2011, and said the Committee has scheduled an emergency drill to be held on or near May 14, 2011.

COMMUNITY PROJECTS COMMITTEE MATTERS AND POSSIBLE PARK IMPROVEMENTS

Director Jameson stated that he and Ms. Humphries will coordinate to schedule a second meeting of the Community Projects Committee.

FORT BEND FLOOD MANAGEMENT ASSOCIATION MATTERS/ACTIONS, FEDERAL FLOOD INSURANCE LEGISLATION, AND ATTENDANCE AT LEVEE CONFERENCES

Director McCann reported on Fort Bend Flood Management Association matters, including Fort Bend County (the "County") Judge Bob Hebert's proposed strategy of creating separate Joint Powers Boards to conduct permanent maintenance of the two perimeter levee systems to FEMA standards. Discussion ensued regarding the disproportionate share of the cost that Greatwood may be required to fund under this method. Ms. Humphries reviewed portions of the Perimeter Levee Operation and Maintenance Agreement entered into as of May 12, 2008, with the perimeter levee participants. After review and discussion, the Board concurred it does not agree with the proposed strategy for permanent maintenance of the perimeter levee and that the current agreement, or the current agreement with the addition of any necessary amendment, provides for the permanent maintenance of the perimeter levee. Following discussion, the Board concurred that a meeting should be held between the perimeter levee participants to obtain consensus on the matter.

RESOLUTION ESTABLISHING IN-DISTRICT MEETING PLACE

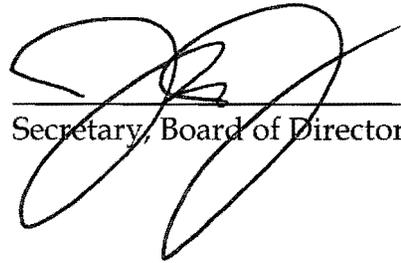
The Board considered establishing an additional in-District meeting place at the new offices of Professional Project Management Services at 19875 Southwest Freeway, 2nd Floor, Sugar Land, Texas 77479. After review and discussion, Director Stone moved to adopt a Resolution Establishing Additional In-District Meeting Place reflecting the establishment of the new offices of Professional Project Management Services as an additional in-District meeting place of the District. Director Jameson seconded the motion, which passed unanimously.

REPORTS ON GREATWOOD PRESIDENT'S MEETING AND ACTIVITIES AND FOLLOW UP ON LEVEE AND DRAINAGE FACILITIES AND OTHER DISTRICT AND GREATWOOD REGIONAL MATTERS, INCLUDING ARTICLES AND INFORMATION FOR GREATWOOD DISTRICTS' WEBSITE

Director McCann reported on discussions at the previous Greatwood Presidents' meeting. Ms. Humphries noted that a summary of discussions at the Presidents' meeting was previously forwarded to all of the Directors. She stated that a meeting of the Website Committee will be scheduled soon.

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




Secretary, Board of Directors

ACTION LIST

1. The attorney will file the District's Annual Report in compliance with the continuing disclosure provisions contained in the bond resolutions.
2. The operator will present a proposal for maintenance of an area near diversion channel no. 2 at next month's meeting.
3. The engineer will report on the redundant levee inspection next month.
4. The engineer will follow-up with Mr. Bebout and coordinate with ABHR on the preparation of a lease agreement between the District and T-Mobile.
5. Director Jameson and the attorney will coordinate to schedule a second meeting of the Community Projects Committee.
6. A meeting will be held between the perimeter levee participants to obtain consensus on permanent maintenance issues.
7. The attorney will schedule a meeting of the Website Committee.

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