

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

January 24, 2012

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 24th day of January, 2012, inside the boundaries of the District, at Professional Project Management Services, 19875 Southwest Freeway, Suite 270, 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 except Director Stone, thus constituting a quorum.

Also present at the meeting were Shawn Zieger of Austin Filter Systems, Inc.; Greg Cox of Sandersen Knox & Co., LLP; Matt Shepard of SCA Consulting Engineers; Jim Lawless, architect; 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 Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 20, 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 McCann seconded the motion, which was approved by unanimous vote.

ENGINEERING MATTERS

Mr. Zieger introduced himself and updated the Board on construction of the Middle Bayou detention lake erosion protection and improvements project. He said he anticipates gabion installation to begin during the first week in February. Director McCann discussed a resident concern regarding the impact of the work on a willow tree in her yard. Mr. Rusk said the contract does not include tree removal and the contractor plans to work around the tree. Ms. Humphries suggested that Mr. Zieger add the District's regular meeting dates to his calendar in case any issues or questions arise. Director McCann said he observed an odor from the lake during the prior evening as a result of lowering the water level. After discussion, Mr. Zieger left the meeting.

Mr. Rusk said Mr. Lawless attended today's meeting to discuss the design standards for the District's proposed emergency operations building. In response to questions, Mr. Perry said a building must be designed to withstand a minimum of Category 4 hurricane wind speeds for SWWC to use the building as a staging area in hurricane related emergency situations.

Mr. Lawless introduced Mr. Shepard to explain the design standards options. Mr. Shepard discussed the International Building Code Standards and alternative impact standards used in Galveston and other coastal areas for designing structures to withstand hurricane wind speeds. The Board discussed the possibility of designing the building to a lesser standard with a storage room designed to provide additional protection. Mr. Lawless presented the requirements for designing structures to withstand Category 4 and 5 hurricane wind speeds. In response to questions and based on Board discussions, Mr. Shepard suggested that the City of Sugar Land (the "City") design standards be used for the project. After review and discussion, the Board concurred for Mr. Lawless or Mr. Shepard to contact the City for input on design standards and then to present cost estimates to the Board for construction of the District's emergency operations building with and without a storage room to provide additional protection, based on the recommended design standards. The Board concurred once this information is received, they should proceed to get SWWC approval of the design standards and agreement to use the District's emergency operations building as a staging area. Mr. Shepard reported on his assistance with the recent construction of an Emergency Medical Services facility that was designed to Fort Bend County building code standards. In response to a question from Ms. Humphries, Mr. Shepard said his engineering services associated with the project are included in the District's proposal from Mr. Lawless. After discussion, Mr. Lawless and Mr. Shepard left the meeting.

AUDIT FOR FISCAL YEAR ENDED SEPTEMBER 30, 2011

Mr. Cox reviewed the District's draft audit for the fiscal year ended September 30, 2011, a copy of which was provided to the Board for review in advance of today's meeting. After review and discussion, Director Jameson moved to approve the audit for the fiscal year ended September 30, 2011, subject to final review, and direct that the finalized audit be filed appropriately and retained in the District's official records. Director McCann seconded the motion, which passed unanimously.

COMMENTS AND QUESTIONS FROM THE PUBLIC

There were no members of the public who wished to address the Board.

EXPIRATION OF DISTRICT'S INSURANCE POLICIES

The Board discussed the expiration of the District's insurance policies on April 5, 2012. After discussion, the Board directed ABHR to request a renewal proposal from Anco-McDonald Waterworks Insurance Services, L.L.C., the District's current provider.

ANNUAL DISCLOSURE STATEMENTS

Ms. Garcia stated that in accordance with the District's Investment Policy, she as the District's bookkeeper and Mary Jarmon as the District's Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added the disclosure statements will be filed with the Texas Ethics Commission. Ms. Garcia presented the executed disclosure statements for the Board's consideration. After review and discussion, Director Jameson moved to accept the disclosure statements, pursuant to the District's Investment Policy and the Public Funds Investment Act, and direct that the disclosure statements be filed appropriately and retained in the District's official records. Director McCann seconded the motion, which passed unanimously.

RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPTION OF AMENDED INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy. Ms. Humphries presented and reviewed a Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy, reflecting changes to comply with recently enacted legislation. After review and discussion, Director Jameson moved to adopt the Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy, pursuant to the District's Investment Policy and the Public Funds Investment Act, and direct that it be filed appropriately and retained in the District's official records. Director McCann seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Humphries presented a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions to update the list of qualified banks with which the District may invest funds. She noted that the District's bookkeeper provided the updated list of banks, which is attached as Exhibit A to the Resolution. After review and discussion, Director Jameson moved to adopt the Resolution, pursuant to the District's Investment Policy and the Public Funds Investment Act, and direct that it be

filed appropriately and retained in the District's official records. Director McCann seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Garcia distributed and reviewed the bookkeeper's report, including the monthly budget comparison and list of checks presented for approval. A copy of the bookkeeper's report is attached. Following review and discussion, Director Jameson moved to approve the bookkeeper's report and payment of the bills. Director McCann 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. The Board discussed the results of the recent Fort Bend Central Appraisal District ("FBCAD"), noting Kraig Warren, former Greatwood Master District Director and current resident of Telfair, was re-elected to the FBCAD Board of Directors as the water district candidate. Ms. Humphries presented a letter from the FBCAD listing the candidates who received the most votes. A copy of the letter from the FBCAD is attached. Following review and discussion, Director Jameson moved to approve the tax assessor/collector's report and payment of the tax bills. Director McCann seconded the motion, which passed by unanimous vote.

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. Mr. Perry said he plans to drive the levee with Mr. Rusk and will present a detailed report on the inspection results at next month's meeting. He reported that SWWC submitted the rates for an irrigation tap and water service to the Greatwood Community Association ("HOA") to approve proceeding with landscaping and irrigation installation in an open cul-de-sac area owned by the HOA with funds from the District to prevent unauthorized access to the main levee. Mr. Perry said SWWC will not proceed with the tap installation until the HOA agrees to pay the related fees. After review and discussion, Director Jameson moved to approve the operator's report. Director McCann seconded the motion, which passed unanimously.

ENGINEERING MATTERS, continued

Mr. Rusk distributed and reviewed the engineer's report, a copy of which is attached. He reported that an application was submitted to the Texas Commission on Environmental Quality for approval of Change Order No. 1 for the Middle Bayou detention lake erosion protection and improvements project. Mr. Rusk noted the Board

approved Change Order No. 1 in the amount of \$83,200 at last month's meeting to add PVC coating to extend the life of the gabion structures.

Mr. Rusk discussed the site work necessary prior to construction of the District's emergency operations building. He said he will present a proposal from LJA in the amount of \$45,400 for the site work at next month's meeting.

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

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

Ms. Humphries said the Greatwood Storm Water Management Plan Committee meeting previously scheduled for January 30th was rescheduled for January 31st at 8:30 a.m. at the regular meeting place of the Greatwood Districts.

DISASTER PREPAREDNESS COMMITTEE MATTERS

Director McCann said the Disaster Preparedness Committee has not met. He said the Committee does not have another meeting scheduled since its assignments are complete and will meet only as needed for emergency situations.

FORT BEND FLOOD MANAGEMENT ASSOCIATION MATTERS/ACTIONS, FEDERAL FLOOD INSURANCE LEGISLATION, AND ATTENDANCE AT LEVEE CONFERENCES OR ASSOCIATION OF WATER BOARD DIRECTORS CONFERENCES

Director McCann reported on correspondence from Fort Bend County Judge Hebert regarding the status of the pending National Flood Insurance Program legislation and the Judge's plans to travel to Washington, D.C. to visit with members of Congress on a strategy to protect property behind County levee districts from mandatory federal flood insurance regardless of risk and existing flood protection.

Ms. Humphries said a meeting of the "GreatRiver" perimeter levee participants is scheduled for February 8th at noon at ABHR. She distributed and reviewed a revised Term Sheet for Perimeter Levee Maintenance, based on discussions at prior perimeter levee meetings. Director Jameson reiterated his recommendation that each participant be responsible for repairs to their segment of the perimeter levee. Discussion ensued regarding additional revisions for ABHR to make prior to sending the Term Sheet to the other participants for review in advance of the February 8th meeting.

DISTRICT INFORMATION KIT

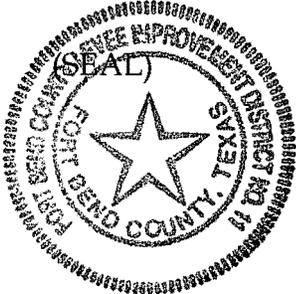
Ms. Humphries presented copies of the District's Information Kit and reviewed updates to include 2011 information about the District. After review and discussion,

Director Jameson moved to approve the District's updated Information Kit and authorize posting of the Information Kit on the Greatwood Districts' website. Director McCann 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 GREATWOOD DISTRICTS' ARTICLES AND INFORMATION FOR WEBSITE

The Board noted a summary they received of discussions at the recent meeting of members of the original Community Projects Committee with residents who expressed interest in serving on a new Community Parks Committee to transfer efforts and momentum to the new Committee.

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





Secretary, Board of Directors

ACTION LIST

1. Mr. Lawless or Mr. Shepard will contact the City for input on design standards and then will present cost estimates to the Board for construction of the District's emergency operations building with and without a storage room, based on the recommended design standards.
2. ABHR will request a proposal for renewal of the District's insurance policies from the current provider.
3. ABHR will revise the Term Sheet for Perimeter Levee Maintenance as discussed and will send the revised Term Sheet to the other participants for review in advance of the February 8th perimeter levee meeting.

LIST OF ATTACHMENTS TO MINUTES

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