

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

June 19, 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 19th day of June, 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
Justin Ring	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 Jim Lawless, architect; Justin Klump of Storm Water Solutions; Shawn Zieger of Austin Filter Systems, Inc.; Erin Garcia of Myrtle Cruz, Inc.; Robby McGinnis of Tax Tech, Inc.; Michael Rusk of LJA Engineering, Inc. ("LJA"); and Lynne B. Humphries and Kristen Hogan of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the May 15, 2012, regular meeting, which were provided in advance of the meeting. Following review and discussion, Director Jameson moved to approve the minutes as submitted. Director Ring seconded the motion, which was approved by unanimous vote.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR ASSOCIATION OF WATER BOARD DIRECTORS SUMMER CONFERENCE

The Board discussed the District's Amended Travel Reimbursement Guidelines and Director expenses for the upcoming Association of Water Board Directors ("AWBD") summer conference in San Antonio. Director Ring noted he was attending, but his expenses would be paid as an AWBD Trustee and by Edminster, Hinshaw, Russ and Associates, Inc. and the District would only pay per diems for his service on behalf of the District. After discussion, the Board concurred no additional action was necessary on expenses since none of the District's Directors plan to attend at the District's expense, with the exception of director fees of office for Director Ring for five days of service. Upon a motion made by Director Jameson and seconded by Director McCann, the Board voted unanimously to authorize up to five director fees of office for Director Ring for the AWBD summer conference.

UPDATE ON SERIES 2012 REFUNDING BOND ISSUE

Ms. Humphries distributed and reviewed a letter from the District's financial advisor reflecting the results of the District's \$8,625,000 Unlimited Tax Levee Improvement Refunding Bonds, Series 2012 (the "Series 2012 Refunding Bonds"), a copy of which is attached. She noted that the Board approved the issuance of the Series 2012 Refunding Bonds at a minimum net present value savings of 4.00% and that 8.18% net present value savings was attained. Ms. Humphries added that the Series 2012 Refunding Bonds are scheduled to close on June 29, 2012.

COMMENTS AND QUESTIONS FROM THE PUBLIC

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

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. Ms. Garcia presented an additional check to Austin Filter Systems, Inc. in the amount of \$246,609.12 for Pay Estimate No. 5 on the Middle Bayou detention lake erosion protection and improvements project. She next reviewed the budget comparison and said actual expenses could be more than shown in the comparison since SWWC Services, Inc. ("SWWC") indicated they are behind on billing service orders for work previously completed. In response to questions from the Board, Ms. Humphries said the District's contract with SWWC requires submittal of bills at least five days prior to Board meetings. Following review and discussion, Director Jameson moved to approve the bookkeeper's reports and payment of the bills and authorize ABHR to send a letter to SWWC regarding timely submittal of invoices for repair and maintenance work. Director Ring seconded the motion, which passed unanimously.

AUTHORIZATION FOR DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

Ms. McGinnis said the District's 2011 delinquent tax accounts as of July 1, 2012, will be turned over to the delinquent tax attorney at the end of the month to pursue collection. The Board asked Ms. McGinnis to present an updated delinquent list at next month's meeting. Upon a motion made by Director Ring and seconded by Director Jameson, the Board voted unanimously to authorize the delinquent tax attorney to proceed with collection of delinquent taxes.

TAX ASSESSMENT AND COLLECTION MATTERS AND

Ms. McGinnis distributed and reviewed the tax assessor/collector's report, a copy of which is attached. She noted that the District's 2011 taxes were 98.36% collected as of May 31, 2012. After review and discussion, Director Jameson moved to approve the tax assessor/collector's report and payment of the tax bills. Director Ring seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

The Board did not receive an operator's report from SWWC nor was anyone present from SWWC to report on operations. Director McCann informed the District's consultants of the Board's decision at yesterday's special meeting to hire Levee Management Services, LLC ("LMS") as the District's new operator, effective July 16, 2012.

Director McCann reported on discussions at the Greatwood Presidents' meeting before today's District meeting regarding erosion in the ditch along the 3rd and 16th holes of the golf course. Mr. Rusk reported on discussions with former SWWC representative Jeff Perry following last month's meeting regarding interceptors originally installed in these areas. He said it appears the interceptors have eroded over time. The Board discussed its instruction to SWWC at last month's meeting to obtain a revised proposal to include re-grading of backslope swales in addition to repair of the washouts in the ditch and to forward the revised proposal to Director Ring to review and approve, so long as the amount did not exceed \$10,000. The Board said it appears SWWC has done nothing on this instruction. After discussion, the Board concurred LMS should submit a proposal for this work in connection with LMS taking over operation of the District and for conducting a comprehensive inspection.

The Board discussed the District's letter to the Greatwood Community Association ("HOA") indicating if landscaping installation in certain cul-de-sac areas owned by the HOA to prevent access to the levee by unauthorized motor vehicles has not begun prior to the District's fiscal year end on September 30th, the District requests the HOA return the \$15,000 check so the District may proceed with planning and budgeting to install bollards and cables at the cul-de-sac areas. Director McCann said he reported at the Presidents' meeting that the District is in favor of landscaping in lieu of bollards and cables for aesthetic purposes, but must proceed to prevent unauthorized motor vehicle access to the District's levee. He said the HOA President indicated the HOA plans to discuss the matter at its upcoming meeting and will respond to the District before the end of the month.

ENGINEERING MATTERS

Mr. Rusk distributed and reviewed the engineer's report, a copy of which is attached. He updated the Board on construction of the Middle Bayou detention lake erosion protection and improvements project. Mr. Rusk reviewed and recommended approval of Pay Estimate No. 5 in the amount of \$246,609.12, payable to Austin Filter Systems, Inc., as presented by the bookkeeper. Mr. Zieger reported on the status of the project and ongoing coordination and discussions with the Golf Club. He estimated the project is approximately 80% complete, with 30-45 days remaining depending on weather. Mr. Rusk said he will prepare a change order to extend the contract time based on delays caused by unforeseen conditions and weather. He said he also will prepare an updated notice about the detention lake erosion repair project for the Greatwood Districts' website. Director McCann reported on discussions at the Presidents' meeting regarding the Middle Bayou detention lake erosion protection and improvements project and the District's plans to restore the water level in the detention pond to its original condition before the project began. He reported that the HOA recently constructed a new non-potable water well behind the Greatwood Retirement Community for makeup water for their amenity lakes. Discussion ensued regarding possible sources of water to restore the water level in the District's detention pond. Mr. Rusk said the next step is for him to contact the Fort Bend Subsidence District regarding the possibility of waiving the disincentive fees for water pumped by the District from a Golf Club or HOA well to restore the detention pond to its original condition before the project began. The Board concurred to discuss the matter with the Golf Club and/or HOA once a response is received from the Fort Bend Subsidence District. The Board reiterated the terms of the District's water rights permits, which prohibit any appropriation of water and allow limited diversion authority. Director McCann said he reiterated at the Presidents' meeting that the District only is responsible for maintaining the detention function of the pond and it's not the District's responsibility to police water use by other entities.

Mr. Lawless presented his finalized proposal for architectural and structural design of the District's emergency operations building. He reviewed the proposal and said comments from ABHR were incorporated. The Board asked Mr. Rusk to ensure LMS is included in the plans for the emergency operations building. The Board concurred the Greatwood Municipal Utility Districts (the "Greatwood MUDs") and their new operator also should be asked to provide input on the plans.

After review and discussion, Director Ring moved to approve the engineer's report, approve Pay Estimate No. 5 in the amount of \$246,609.12 for the Middle Bayou detention lake erosion protection and improvements project, based on the engineer's recommendation, and to approve and authorize execution of the finalized proposal from Mr. Lawless for architectural and structural design of the District's proposed emergency operations building. Director Jameson seconded the motion, which passed unanimously.

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

Mr. Klump distributed and reviewed a report on the status of implementation of Greatwood's Storm Water Management Plan ("SWMP"), a copy of which is attached. He reviewed the final chapter for Greatwood's Storm Water Guidance Manual, which was reviewed by the SWMP Committee at its meeting held earlier this month. Mr. Klump discussed the storm sewer maps for Greatwood and associated revisions requested from the Master District engineer. He then discussed future permitting and continuance of the current permit. After review and discussion, Director Ring moved to approve the SWMP report. Director Jameson seconded the motion, which passed unanimously.

DISASTER PREPAREDNESS COMMITTEE MATTERS

Director Ring reported on the recent Disaster Preparedness Committee meeting and discussions with the new operator for the Greatwood MUDs, Si Environmental, LLC. He said Rick Marriott of Si Environmental, LLC was directed to coordinate with David Maxwell on purchase of the emergency radio broadcast equipment. He said the Committee requested a proposal from Mr. Maxwell's company, Disaster Planning Associates, to prepare a manual for operation of the radio broadcast equipment and to train Committee members and the operator. Ms. Humphries said ABHR received the proposal for consideration at the next Master District meeting. She added that items will be included on the next District and Greatwood MUD agendas to adopt an Amended Greatwood Hurricane Preparedness Plan (formerly known as Greatwood Emergency Preparedness Plan) and to review and consider any necessary updates to their Resolutions Regarding Delegation of Authority in Emergencies.

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

Director McCann and Mr. Rusk discussed the recent Fort Bend Flood Management Association annual symposium. Ms. Humphries distributed a summary of discussions at the symposium prepared by ABHR, a copy of which is attached.

PROPOSALS FROM OPERATING COMPANIES AND EXECUTION OF A CONTRACT WITH A NEW OPERATOR FOR THE DISTRICT

The Board discussed its decision at yesterday's special meeting to authorize negotiation of a contract between the District and LMS and to hire LMS as the District's operator beginning July 16, 2012, subject to acceptable contract terms. Ms. Humphries said ABHR will request a proposed contract from LMS for review.

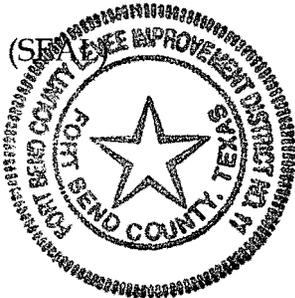
REPORTS ON GREATWOOD PRESIDENT'S MEETING AND ACTIVITIES AND FOLLOW UP ON LEVEE AND DRAINAGE FACILITIES AND OTHER DISTRICT AND GREATWOOD REGIONAL MATTERS, INCLUDING GREATWOOD DISTRICTS' ARTICLES AND INFORMATION FOR WEBSITE

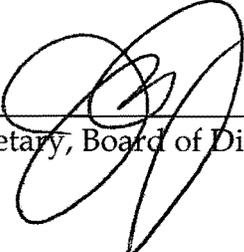
Ms. Humphries said she sent correspondence to Mike Thelen of SWWC and to SWWC management personnel regarding attendance at today's meeting. The Board concurred another letter should be sent to SWWC regarding timely submittal of invoices and should also indicate that SWWC did not submit a report or send a representative to today's meeting.

MEETING SCHEDULE

The Board concurred the District's next regular meeting will be held July 17, 2012, at 5:00 p.m.

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





Secretary, Board of Directors

ACTION LIST

1. The tax assessor/collector will present an updated delinquent list at next month's meeting.
2. The engineer will prepare an updated notice about the detention lake erosion repair project for the Greatwood Districts' website.
3. The engineer will contact the Fort Bend Subsidence District regarding the possibility of waiving the disincentive fees for water pumped by the District from a Golf Club or HOA well to restore the detention pond to its original level.
4. The engineer will ensure the new operator is included in the plans for the emergency operations building.
5. ABHR will request a proposed contract from LMS for review.
6. ABHR will send a letter to SWWC regarding timely submittal of invoices for repair and maintenance work and attendance/reporting at District meetings.

Pending Action List for new operator:

1. The operator will present a proposal for repair of ditch washouts and re-grading of backslope swales and for a comprehensive inspection.
2. The operator will inspect the outfall structures, including the gabion material, as soon as the level of the Brazos River subsides.

LIST OF ATTACHMENTS TO MINUTES

	<u>Page No.</u>
letter from financial advisor with results of Series 2012 Refunding Bonds	2
bookkeeper's report.....	2
tax assessor/collector's report	3
engineer's report	4
Storm Water Management Plan report.....	5
summary of Fort Bend Flood Management Association symposium.....	5