

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

September 18, 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 18th day of September, 2012, inside the boundaries of the District, at Mike Stone Associates, Inc., 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 Stuart Rimes and Bob Grant, residents of the District; Jeff Perry and Clark Carruth of Levee Management Services, LLC ("LMS"); Pat Naff of CDC Unlimited, LLC ("CDC"); Shawn Zieger of Austin Filter Systems, Inc.; Christina 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 August 21, 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.

COMMENTS AND QUESTIONS FROM THE PUBLIC

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

AUTHORIZE AUDITOR TO PROCEED WITH CONDUCT OF AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2012 (THIRD YEAR OF 3-YEAR CONTRACT TERM)

The Board discussed the District's engagement letter with Sandersen Knox & Co., LLP ("SKC") to conduct the District's audits for the fiscal year ends September 30, 2010-2012. After discussion, Director Ring moved to authorize SKC to proceed with conduct of the District's audit for the fiscal year end September 30, 2012. Director Jameson seconded the motion, which passed unanimously. The Board noted this fiscal year is the last of the three-year contract term.

FINANCIAL AND BOOKKEEPING MATTERS AND BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2013

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 Director McCann for a per diem for service on behalf of the District, noting the check will be reflected in next month's report. The Board reviewed the budget comparison and, in response to questions from Director McCann, Mr. Naff confirmed the prior year's billings from CDC were lower than budgeted due to less mowing. Mr. Naff added Fall fertilization has not yet been completed.

Ms. Garcia next distributed and reviewed the District's proposed budget for the fiscal year ending September 30, 2013. She noted revisions since last month's meeting, based on the 2012 maintenance tax rate and input received from the operator. The Board reviewed the proposed budget and discussed additional revisions. The Board considered reducing the amount budgeted for repairs and maintenance since much of this work should be completed within LMS's base monthly fee for allotted man hours. After review and discussion, the Board concurred not to reduce the budgeted amount at this time, but to monitor actual repair and maintenance expenses for future consideration. The Board also noted formula errors in the line items for pump station emergency operations to be corrected by Ms. Garcia.

Following review and discussion, Director Jameson moved to approve the bookkeeper's report and payment of the bills and adopt the District's budget for the fiscal year end September 30, 2013, with the discussed revisions. Director Ring seconded the motion, which passed unanimously.

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 99.42% collected as of August 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.

PUBLIC HEARING REGARDING TAX RATE, ORDER LEVYING TAXES, AND AMENDMENT TO INFORMATION FORM

Ms. McGinnis presented an affidavit of publication evidencing publication of notice of the District's meeting today to adopt the proposed 2012 tax rate of \$0.26 per \$100 of assessed valuation.. The Board opened the public hearing regarding the adoption of the District's 2012 tax rate. There being no members of the public in attendance who wished to address the Board, the public hearing was closed. Ms.

Humphries presented an Order Levying Taxes for the Board's consideration. She next presented an Amendment to Information Form reflecting the new tax rate and stated the Amendment to Information Form will be filed with the Texas Commission on Environmental Quality ("TCEQ") and recorded in the Official Public Records of Fort Bend County. After review and discussion, Director Jameson moved to adopt the Order Levying Taxes, reflecting a 2012 tax rate of \$0.26 per \$100 of assessed valuation consisting of \$0.20 allocated for debt service and \$0.06 allocated for maintenance and operations expenditures, authorize execution of the Amendment to Information Form, and direct that such documents be filed appropriately and retained in the District's official records. Director Ring seconded the motion, which passed by unanimous vote. The Board confirmed its intention that the 2012 tax levy include a debt service component for the calendar year ending December 31, 2013, and a maintenance tax component for the fiscal year ending September 30, 2013.

OPERATION OF DISTRICT FACILITIES

Mr. Carruth distributed and reviewed the monthly operator's report, a copy of which is attached. He reviewed a proposal in the amount of \$900.00 to remove silt from the concrete pad in the ditch along the Highway 59 feeder road. Mr. Carruth then reviewed and discussed work completed as part of LMS's initial inspection and work completed as part of the monthly man hours included in LMS's base monthly fee. He noted his report reflects the actual man hours worked during the prior month as requested by the Board. Mr. Carruth said the work orders listed in the report are shown as "active" on LMS's website for viewing, but will be archived following today's meeting. In response to questions from the Board, Mr. Carruth said LMS exercises the pump station generators for 10-15 minutes on a weekly basis and under a load for 20 minutes on a monthly basis.

Mr. Carruth next distributed and reviewed an inspection report reflecting the results of LMS's inspection of the District's facilities. A copy of the inspection report will be filed appropriately and retained in the District's official records. Discussion ensued regarding wetlands requirements and cattail growth in the channel within Fort Bend County Municipal Utility District No. 117 that needs to be addressed. After review and discussion, the Board directed Mr. Rusk to review the original plans and U.S. Army Corps of Engineers permit for the channel. The Board concurred to consider scheduling a tour of the District's facilities at next month's meeting.

Mr. Carruth then reviewed items that LMS proposes to address during the next month.

After review and discussion, Director Ring moved to approve the operator's report and the proposal in the amount of \$900.00 for removal of silt from the concrete pad in the ditch along the Highway 59 feeder road. Director Jameson seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Rusk distributed and reviewed the engineer's report, a copy of which is attached. He and Mr. Zieger updated the Board on construction of the Middle Bayou detention pond erosion protection and improvements project. Mr. Rusk discussed the plans to pump water held in Middle Bayou by coffer dams to restore the detention pond to its original condition before the project began, which should begin by the end of the week and will be coordinated with LMS. He said pumping will occur during daylight hours and will be monitored. Mr. Rusk reviewed and recommended approval of Pay Estimate No. 8 in the amount of \$101,846.91 for the project, payable to Austin Filter Systems, Inc. He discussed plans for Berg Oliver Associates, Inc. ("Berg Oliver") to complete plantings around the detention pond and said he recommends contracting separately with Berg Oliver for this work. Mr. Rusk said he would contact Berg Oliver for a proposed contract.

Mr. Rusk next reported on coordination with the District's architect on design of the District's proposed emergency operations building. He said they are working with CenterPoint Energy to relocate power poles to accommodate the proposed building.

After review and discussion, Director Ring moved to approve the engineer's report and approve Pay Estimate No. 8 in the amount of \$101,846.91 for the Middle Bayou detention pond erosion protection and improvements project, based on the engineer's recommendation. Director Jameson seconded the motion, which passed unanimously.

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

Director Ring and Ms. Humphries reported on the new draft 5-year MS4 storm water permit issued by the TCEQ/EPA.

Director McCann reviewed the invoice submitted by Storm Water Solutions for storm water pollution prevention work in connection with the District's Middle Bayou detention pond erosion protection and improvements project. He noted it appears the actual cost will be less than the amount estimated in the District's contract with Storm Water Solutions.

DISASTER PREPAREDNESS COMMITTEE MATTERS

Director Ring said he was unable to attend the recent Disaster Preparedness Committee meeting. He said he received a report at today's Greatwood Presidents' meeting indicating the Committee met with David Maxwell of Disaster Planning Associates to review a manual for operation of the emergency radio broadcast equipment and receive training on operation of the equipment. Director Ring added the Committee requested a proposal from Disaster Planning Associates for 24/7 support and back-up fuel in emergency situations.

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

The Board discussed Fort Bend Flood Management Association matters. Ms. Humphries distributed a memorandum summarizing the National Association of Flood and Stormwater Management Agencies conference held last month, a copy of which is attached.

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

Director Ring reported on additional discussions at the Greatwood Presidents' meeting held earlier today.

ACCEPT DIRECTOR MCCANN'S RESIGNATION AND REQUEST FORT BEND COUNTY TO APPOINT STUART RIMES AS REPLACEMENT

The Board discussed Director McCann's duties and the meetings he attended on behalf of the District to consider distributing these duties among the other Directors. After discussion, the Board asked ABHR to prepare a list of District director duties and meetings for the Board's consideration at next month's meeting.

Director McCann presented a letter of resignation to the Board, effective today. The Board considered requesting Fort Bend County Commissioners Court to appoint Mr. Rimes, current Master District Director, to the Board to replace Director McCann. Upon a motion made by Director Jameson and seconded by Director Ring, the Board voted unanimously to accept Director McCann's resignation and authorize ABHR to submit a request to Fort Bend County Commissioners Court for appointment of Mr. Rimes to the Board to fill the unexpired term ending June 27, 2014.

MEETING SCHEDULE

The Board concurred the District's next regular meeting will be held October 16, 2012, at 5:00 p.m.

OPERATION OF DISTRICT FACILITIES, continued

Mr. Carruth reported that LMS is working with various levee district engineers on emergency preparedness and operations matters.

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




Secretary, Board of Directors

ACTION LIST

1. The bookkeeper will revise the budget as discussed/adopted.
2. The engineer will review the original plans and permit for the channel with cattail growth in Fort Bend County Municipal Utility District No. 117.
3. The engineer will request a contract from Berg Oliver to complete plantings around the detention pond.
4. ABHR will prepare a list of District director duties and meetings for the Board's consideration at next month's meeting.
5. ABHR will submit a request to Fort Bend County Commissioners Court for appointment of Mr. Rimes to the Board to fill the unexpired term ending June 27, 2014.

Pending Action List for new operator:

1. The operator will present a proposal for repair of ditch washouts and re-grading of backslope swales.
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

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