

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

September 2, 2014

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 2nd day of September, 2014, 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:

Justin Ring	President
Jared Jameson	Vice President/ Assistant Secretary
Stuart Rimes	Secretary/ Assistant Vice President

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

Also present at the meeting were Clark Carruth of Levee Management Services, LLC ("LMS"); Christina Garcia of Myrtle Cruz, Inc.; Greg Ordeneaux of Tax Tech, Inc.; Michael Rusk of LJA Engineering, Inc.; Pat Naff of CDC Unlimited LLC; Jim Lawless, architect for the District; and Lynne B. Humphries and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the August 5, 2014, 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 comments from the public.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END
SEPTEMBER 30, 2014

Ms. Humphries stated the District has a three-year engagement with Sandersen Knox & Co., LLP to conduct its annual audit. After review and discussion, Director Jameson moved to authorize Sandersen Knox & Co., LLP to conduct the District's audit for the fiscal year ending September 30, 2014. Director Ring 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. He reported the District's 2013 taxes are 99.55% collected. 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.

Mr. Ordeneaux presented and reviewed a "Payment Credit Card Industry Data Security Standard Self-Assessment Questionnaire and Attestation of Compliance." He reminded the Board that this is an annual questionnaire necessary for the District's acceptance of credit card payments for taxes. He explained that Tax Tech is responsible for the District's compliance with the security standards and noted that the District is in compliance with all applicable standards. After review and discussion, Director Jameson moved that the President be authorized to execute the questionnaire on the District's behalf, based on Mr. Ordeneaux's representations of the District's compliance. Director Ring seconded the motion, which passed by unanimous vote.

2014 TAX RATE

Ms. Williams presented and reviewed a letter and debt service tax rate analysis, recommending the District levy a 2014 debt service tax rate of \$0.18. She reviewed projected maintenance and operations revenue for a maintenance and operations tax rate of \$0.06. A copy of the letter is attached. The Board discussed the proposed 2014 tax rate. After review and discussion, Director Jameson moved to authorize the tax assessor/collector to publish notice of a public hearing on October 7, 2014 in the *Fort Bend Independent* regarding the Board's adoption of a maximum 2014 tax rate of \$0.24 per \$100 of assessed valuation, with a maximum of \$0.18 allocated for debt service and a maximum of \$0.06 allocated for operations and maintenance. Director Rimes seconded the motion, which passed unanimously.

LETTER OF CREDIT AGREEMENT WITH COMPASS BANK

Ms. Garcia presented and reviewed a Letter of Credit Agreement with Compass Bank. After review and discussion, Director Jameson moved to approve the Letter of Credit Agreement with Compass Bank and direct that it be filed appropriately and retained in the District's records. Director Rimes 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. Ms. Garcia then reviewed a proposed budget for fiscal

year ending September 30, 2015, a copy of which is attached to the bookkeeper's report. Following review and discussion, Director Jameson moved to (1) approve the bookkeeper's report and authorize payment of the bills listed therein; and (2) adopt the budget for fiscal year ending September 30, 2015, reflecting the requested changes. Director Ring seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES

Mr. Carruth distributed and reviewed the monthly operator's report, a copy of which is attached. He reviewed and discussed work completed by LMS during the last month as reflected in his report. Following review and discussion, Director Rimes moved to approve the operator's report as submitted. Director Jameson seconded the motion, which was approved by unanimous vote.

LEVEE AND DITCH MOWING

Mr. Naff updated the Board regarding mowing in the District. The Board requested Mr. Naff present proposals for herbicide and fertilization at the next meeting.

ENGINEERING MATTERS

Mr. Rusk discussed and reviewed the engineer's report, a copy of which is attached.

Mr. Rusk stated one bid was received for the emergency operations building from Bass Construction in the amount of \$568,776.25. Mr. Rusk stated the District has approximately \$300,000.00 available in additional surplus funds from the completion of the Middle Bayou Detention Lake Erosion project to utilize for the construction of the emergency operations building.

After review and discussion, Director Jameson moved to (1) the engineer's report and (2) award the contract for construction of the emergency operations building to Bass Construction in the amount of \$568,776.25. Director Rimes seconded the motion, which passed unanimously. The Board requested Mr. Rusk prepare a letter to the Texas Commission on Environmental Quality requesting authorization to use the District's additional surplus funds remaining from the completion of the Middle Bayou Detention Lake Erosion project.

EMERGENCY PREPAREDNESS COMMITTEE MATTERS

There were no updates regarding this matter.

COMMUNITY PROJECTS COMMITTEE

The Board discussed the proposal from the Greatwood Homeowners' Association ("HOA") regarding the HOA's interest in trading its wetlands tract for the Greatwood Districts' three-acre tract across from Campbell Elementary. Ms. Humphries stated ABHR received the USACE wetlands delineation from the HOA for its property. She stated a wetlands permit will likely be required if the Districts choose to swap property and construct anything on the HOA property. Ms. Humphries then reviewed the tax valuations for each property. She stated according to the Fort Bend Central Appraisal District, the HOA property's assessed tax valuation is \$1,350 and the MUD-owned property's assessed tax valuation is \$14,870. Ms. Humphries stated the Community Projects Committee will meet on September 16, 2014 at 5:00 p.m. at Mike Stone & Associates to discuss this matter and possible parks plans.

FORT BEND FLOOD MANAGEMENT ASSOCIATION MATTERS/ACTIONS

There were no updates regarding this agenda item.

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

There were no updates regarding this matter.

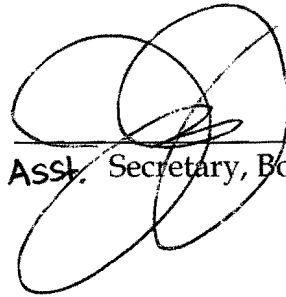
DISCUSS REQUEST FROM GREATWOOD HOMEOWNERS' ASSOCIATION FOR FUNDING OF LANDSCAPE BARRIER TO DISTRICT'S DETENTION POND TO HELP PREVENT UNAUTHORIZED ACCESS OFF RIVERBROOK DRIVE

Ms. Humphries stated the Greatwood HOA requested the Board consider funding the installation of a landscape barrier to prevent unauthorized access to the District's detention pond. She then reviewed a proposal from Earthcare Management, sent by the HOA, to plant oleanders in the amount of \$9,634.25, a copy of which is attached. After review and discussion, Director Ring moved to approve the proposal from Earthcare Management, less the sales tax, in the amount of \$8,900.00. Director Jameson seconded the motion, Director Rimes dissented and the motion passed by majority vote.

REPORTS ON GREATWOOD PRESIDENT'S MEETING AND ACTIVITIES AND FOLLOW UP ON LEVEE AND DRAINAGE FACILITIES AND OTHER DISTRICT AND GREATWOOD REGIONAL MATTERS

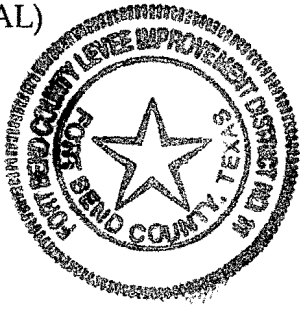
There were no updates regarding this matter.

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



Asst. Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Page <u>No.</u>
Tax assessor/collector's report	2
Tax rate recommendation letter and analysis.....	2
Bookkeeper's report.....	2
Operator's report.....	3
Engineer's report.....	3
HOA Proposal from Earthcare Management	4