

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

September 1, 2015

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 1st day of September, 2015, inside the boundaries of the District, at the offices of Mike Stone Associates, Inc., 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 except Director Rimes, thus constituting a quorum.

Also present at the meeting were Jeff Perry and Clark Carruth of Levee Management Services, LLC ("LMS"); Christina Garcia of Myrtle Cruz, Inc.; Kelly Jurecek of Tax Tech, Inc.; Debbie Shelton of First Southwest Company ("FSW"); Bob Grant, resident of 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 3, 2015, 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.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Jurecek distributed and reviewed the September tax assessor/collector's report, a copy of which is attached. She reported the District's 2014 taxes are 99.45% collected.

Ms. Jurecek presented and reviewed a "Payment Credit Card Industry Data Security Standard Self-Assessment Questionnaire and Attestation of Compliance." She reminded the Board that this is an annual questionnaire necessary to the District's acceptance of credit card payments for taxes. She 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.

Following review and discussion, Director Jameson moved to (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) authorize Director Kelly to execute the questionnaire on the District's behalf, based on Ms. Jurecek's representations of the District's compliance. Director Ring seconded the motion, which passed unanimously.

DISCUSS 2015 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Ms. Shelton presented and reviewed a letter and debt service tax rate analysis, recommending the District levy a 2015 debt service tax rate of \$0.165. She reviewed projected maintenance and operations revenue for maintenance and operations at various tax rates. A copy of the analysis is attached. The Board discussed the proposed 2015 tax rate and reviewed its operating budget needs. After review and discussion, Director Jameson moved to authorize the tax assessor/collector to publish notice in the *Fort Bend Herald* of a public hearing on October 5, 2015, regarding the Board's adoption of 2015 tax rate of \$0.205 per \$100 of assessed valuation, with \$0.165 allocated for debt service and \$0.04 allocated for operations and maintenance.

Ms. Shelton then discussed the possibility of a cash defeasance of the 2028 maturity bonds utilizing surplus funds from the District's operating account. She noted the District would still maintain a reserve fund of approximately \$1,000,000. After review and discussion, the Board authorized the District's consultants to take the necessary steps to prepare for the defeasance of the District's 2028 maturity of the series 2008 bonds.

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 and reviewed a draft budget for the fiscal year ending September 30, 2016, a copy of which is attached to the bookkeeper's report. The Board requested a line item reflecting the cash defeasance of the 2028 maturity of the series 2008 bonds. 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 District's budget for the fiscal year ending September 30, 2016. Director Ring seconded the motion, which passed unanimously.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR THE FISCAL YEAR END
SEPTEMBER 30, 2015

Ms. Humphries stated the District is in the final year of a three year engagement with Sandersen Knox & Co. LLP ("Sandersen"). After review and discussion, Director Ring moved to authorize Sandersen to conduct the District's audit for the fiscal year ending September 30, 2015. Director Jameson seconded the motion, which passed unanimously.

LEVEE AND DITCH MOWING

There were no updates regarding this item.

OPERATION OF DISTRICT FACILITIES

Mr. Perry 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.

Mr. Perry stated the Army Corps of Engineers will inspect the District's levee shortly and recommended the Board authorize megger testing prior to the inspection. He stated the megger testing cost will not exceed \$4,000.

Mr. Perry discussed installation of a meter to monitor lake levels in the main lake. He stated the building that houses the Golf Club pump is locked and LMS cannot access the pump to install the meter. Mr. Perry stated he is arranging a meeting with the Golf Club owner regarding the matter.

Mr. Perry stated Si Environmental, LLC, the Master District operator, requested authorization to relocate the Master District emergency portable generators to the District's emergency operations building. After discussion, the Board concurred to allow the Master District to store the generators in the emergency operations building, contingent upon availability of space. The Board requested ABHR draft an agreement for the storage of the generators and note the Master District is responsible for the generators and all clean-up associated with the generators.

Following review and discussion, Director Jameson moved to approve the operator's report as submitted. Director Ring seconded the motion, which was approved by unanimous vote.

ENGINEERING MATTERS

The Board reviewed the engineer's report, a copy of which is attached.

The Board discussed and reviewed planting options for the eyelash beds in the main lake. The Board concurred to defer a decision regarding the matter but requested the planting options be placed on the District's website.

Ms. Humphries presented and reviewed a Partial Release of Easement for property located near the levee toe west of FM 762 to 0.31 miles west of FM 2759 ("Release"). She noted the District's engineer recommended the Board decline the Release because the District must comply with standards and regulations set forth by the Army Corps of Engineers as well as the Federal Emergency Management Agency, which may change in the future and require the District to utilize the full extent of the easement.

After review and discussion, Director Jameson moved to (1) approve the engineer's report; and (2) decline the request for the Release and direct ABHR to send the requestor notification of the Board's decision. Director Ring seconded the motion, which passed unanimously.

EMERGENCY PREPAREDNESS COMMITTEE MATTERS

There was no discussion regarding this item.

COMMUNITY PROJECTS COMMITTEE

Ms. Humphries stated the Master District has surplus funds in the Master District operating fund collected over the past few years from all of the Greatwood municipal utility districts ("MUDs") of approximately \$4,200,000 available to contribute to the Greatwood Community Association ("HOA") for development of services and projects for the benefit of the Greatwood residents. She stated the Presidents discussed the most beneficial way to disperse the surplus funds and concurred to recommend the funds be transferred to the HOA, subject to execution of an agreement. Ms. Humphries stated the Presidents recommended the funds only be used by the HOA as approved by the Community Projects Committee. Ms. Humphries stated the Master District Board concurred that the Community Projects Committee will be defined as one representative from within each of the MUDs boundaries, one representative of Fort Bend County Levee Improvement District No. 11 and two representatives from the HOA. Ms. Humphries stated an agreement will be presented to the Master District at its September Board of Directors meeting.

The Board discussed the conveyance of the 3-acre tract owned by the Master District to the HOA. Ms. Humphries stated the Master District can declare the tract surplus and sell the tract in a private sale to the HOA for fair market value as determined by the MUDs. She stated all MUDs must consent to the conveyance because the tract is owned by the Master District on behalf of the four Greatwood MUDs. Ms. Humphries stated the Master District concurred with the Presidents'

recommendation to utilize the Fort Bend Central Appraisal District's determination of the fair market value of \$14,870 as the price for the sale of the tract.

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

There were no updates regarding this item.

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

Director Ring updated the Board regarding the Presidents' meeting.

The Board requested ABHR prepare a notice for the website regarding the Districts' and Greatwood Districts' proposed 2015 property tax rates.

FEDERAL FLOOD INSURANCE LEGISLATION, PERIMETER LEVEE MAINTENANCE, AND ATTENDANCE AT LEVEE CONFERENCES INCLUDING APPROVE COST-SHARING AGREEMENT FOR GREAT RIVER PERIMETER LEVEE FLOOD-FIGHTING EQUIPMENT

Ms. Humphries presented and reviewed a Memorandum prepared by AHBR from the National Association of Flood and Stormwater Management Agencies 2015 Annual Meeting, a copy of which is attached.

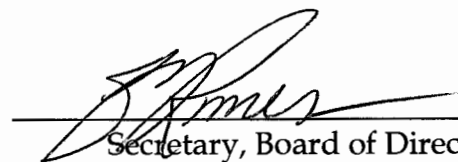
Ms. Humphries presented and reviewed training/educational requirements from the Fort Bend County Drainage District detailing Continuing Education for levee district directors, a copy of which is attached.

The Board discussed Perimeter levee matters.

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

(SEAL)




Secretary, Board of Directors

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