

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

October 5, 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 5th day of October, 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, thus constituting a quorum.

Also present at the meeting were Jeff Perry of Levee Management Services, LLC ("LMS"); Christina Garcia of Myrtle Cruz, Inc.; Kelly Jurecek of Tax Tech, Inc.; Bob Grant, resident of the District; Jason Kelly of LJA Engineering, Inc.; Dean Edwards of Berg Oliver Associates, Inc.; and Lynne B. Humphries and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the September 1, 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 Ring 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.

The Board concurred to defer voting for a candidate to the Board of Directors of the Fort Bend Central Appraisal District ("FBCAD") pending receipt of a ballot from the FBCAD.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S 2015 TAX RATE, ADOPT ORDER LEVYING TAXES AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION

Ms. Jurecek stated Tax Tech Inc. published the required Notice of Public Hearing stating the District anticipates levying a maximum \$0.205 tax rate at this meeting.

Director Ring then opened the public hearing. No members of the public came forward to make comments. Director Ring closed the public hearing.

Ms. Humphries presented to the Board an Order Levying Taxes for a \$0.205 tax rate, comprised of \$0.165 for debt service and \$0.04 for operations and maintenance. Ms. Humphries also presented an Amendment to Information Form reflecting the newly adopted tax rate.

After review and discussion, Director Jameson moved to adopt the Order Levying Taxes and authorize execution of the Amendment to Information Form, and direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Ring seconded the motion, which passed unanimously. The Board confirmed its intention that the 2015 tax levy includes a debt service component for the calendar year ending December 31, 2016, and a maintenance tax component for the fiscal year ending September 30, 2016.

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 authorize payment of the bills listed therein. Director Ring seconded the motion, which passed unanimously.

Ms. Humphries noted the Board and the District's Financial Advisor discussed funds available in the District's operating account for a cash defeasance of the District's 2028 maturity of the 2008 Unlimited Tax Bonds. The Board determined to proceed with early payment of the 2028 maturity of the 2008 Unlimited Tax Bonds. Ms. Humphries

reviewed with the Board the Notice to the Paying Agent/Registrar for the cash defeasance, all-inclusive in the total principal amount of \$1,085,000. After review and discussion, Director Jameson moved that the Board approve the Notice of the Cash Redemption for the District's Unlimited Tax Refunding Series 2008 Bonds. Director Ring seconded the motion, which carried unanimously.

LEVEE AND DITCH MOWING AND DRAINAGE CHANNEL CLEANOUT

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 discussed the installation of fencing in certain cul de sacs to prevent unauthorized access on the District's levee. He noted fence pricing is high at this time at approximately \$166 per square foot. Discussion ensued. The Board concurred to proceed with making a surplus funds application to the Texas Commission on Environmental Quality, noting pricing may go down during the approval process of the surplus funds application.

Mr. Perry discussed various supplies needed in the emergency operations building and requested authorization to purchase the necessary supplies in an amount not to exceed \$6,000. Ms. Humphries noted the purchase should be funded from funds remaining for the building in the capital projects fund.

Ms. Humphries and Mr. Perry discussed an Interlocal Agreement between the District and Fort Bend County for radio system access ("Agreement"). Mr. Perry stated LMS will purchase and maintain the radios as it has done in the past. He stated LMS also will continue to pay the monthly usage fee of \$12.95 per month.

Following review and discussion, Director Jameson moved to (1) approve the operator's report as submitted; (2) authorize LMS and/or LJA to proceed with bidding for the fencing project pending approval of the use of surplus funds; (3) authorize LMS to purchase supplies for the emergency operations building in an amount not to exceed \$6,000; and (4) approve the Agreement and direct that it be filed appropriately and retained in the District's official records. Director Rimes seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

The Board discussed the capital planning reserve and requested the engineer and operator coordinate regarding possible equipment replacement and additional improvements, including but not limited to, converting the District's generators to natural gas and installation of additional flood protection materials.

Mr. Perry reported LMS will be installing additional rip rap in the District's outfall no. 2 at pump station no. 2 this month.

Mr. Edwards discussed and reviewed planting options for the eyelash beds in the main lake. He noted the total cost of the project is \$7,500, including consultant fees. Mr. Edwards stated the optimal planting time is in the spring.

Ms. Humphries presented and reviewed a Resolution Authorizing Application for Use of Surplus Funds ("Resolution") for the fencing project discussed in the operator's report. She noted after the completion of the eyelash bed plantings and the purchase of supplies for the emergency operations building, the District will have approximately \$114,000 in surplus capital projects funds. After review and discussion, Director Ring move to approve the Resolution in an amount not to exceed \$114,000. Director Jameson seconded the motion, which passed unanimously.

After review and discussion, Director Jameson moved to (1) approve the engineer's report; and (2) approve the proposal for the eyelash bed plantings in the amount of \$7,500. Director Ring seconded the motion, which passed unanimously.

CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Humphries reviewed a Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission, a copy of which is attached. Ms. Humphries stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. Ms. Humphries reviewed the List of Local Government Officers. After review and discussion, Director Jameson moved to approve and authorize execution of the List of Local Government Officers and direct that the List be filed appropriately and retained in the District's official records. Director Rimes seconded the motion, which passed by unanimous vote.

EMERGENCY PREPAREDNESS COMMITTEE MATTERS

Ms. Humphries stated the Board of Directors of Fort Bend County Municipal Utility District No. 106 ("MUD 106") agreed to grant the District the emergency operations radio system ("Emergency Radio") as consideration for the District's storage of MUD 106's emergency power portable generators ("Generators") in the District's emergency operations building. Ms. Humphries then presented and reviewed an Interlocal Agreement defining the terms of the Generators storage and transfer of ownership of the Emergency Radio ("Interlocal Agreement") and a Bill of Sale for the transfer of ownership of the Emergency Radio ("BOS"). After review and discussion, Director Jameson moved to approve the Interlocal Agreement and BOS and direct that all documents be filed appropriately and retained in the District's official records. Director Rimes seconded the motion, which passed by unanimous vote.

COMMUNITY PROJECTS COMMITTEE ("CPC")

Director Jameson updated the Board regarding CPC matters. Ms. Humphries discussed revisions to the Agreement to Fund Certain Eligible Projects between Fort Bend County Municipal Utility District No. 106 (Master District) and the Greatwood Community Association ("HOA"), which were requested by the HOA.

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

Mr. Klump presented and reviewed a summary of the District's year 2 SWMP goals, a copy of which is attached. He discussed various activities and measures taken to meet the outlined goals as required by the District's SWMP. After review and discussion, Director Jameson moved to approve the year 2 SWMP goals. Director Rimes 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

Director Jameson updated the Board regarding the Presidents' meeting.

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

The Board discussed Perimeter levee matters.

REVIEW CONSULTANT CONTRACTS

The Board discussed consultant contracts and concurred to take no action.

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


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Page <u>No.</u>
Tax assessor/collector's report	1
Bookkeeper's report.....	2
Operator's report.....	3
Engineer's Report.....	3
Memorandum from ABHR regarding conflict of interest disclosure required under Chapter 176 of the Texas Local Government Code and disclosure forms adopted by the Texas Ethics Commission.....	4
Year 2 SWMP goals.....	5