

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

February 6, 2017

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 6th day of February, 2017, inside the boundaries of the District, at Independent Bank, 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 Jameson, 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.; Michael Rusk of LJA Engineering, Inc. ("LJA"); Greg Cox of Knox Cox & Company, LLP ("CKC"); Justin Klump and Mile Thelen of Storm Water Solutions, LP ("SWS"); Bob Grant, Lindsey and Matt Ewers, Brittany and Colin Pounders, Denise Price, Robert J. Galloway, Shea Culpepper and Terry Lyons, residents 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 December 5, 2016, regular meeting, which were provided in advance of the meeting. Following review and discussion, Director Ring moved to approve the minutes as submitted. Director Rimes seconded the motion, which was approved by unanimous vote.

COMMENTS AND QUESTIONS FROM THE PUBLIC

Mr. Pounders presented and reviewed a petition signed by homeowners of Babbling Brook Court, a copy of which is attached. He stated residents are opposed to a fence being installed at the end of the cul-de-sac of Babbling Brook Court to prevent unauthorized access to the District's levee. He stated residents enjoy the view and openness of the area and requested the Board consider not installing a fence or installing a more aesthetically appealing deterrent that would not impact residents' views or use of the cul-de-sac area. Residents in attendance concurred with Mr. Pounders statements and requested the Board consider alternatives to the fence installation.

Mr. Galloway requested a sign-in sheet at all meetings. He inquired if the Greatwood Lake area is accessible to the public. Mr. Galloway asked when the next

District election would occur. It was noted Directors are appointed by the Fort Bend County Commissioners Court and the District does not hold Director elections. Mr. Galloway asked when the Board planned to set the 2018 tax rate. He requested a copy of the handouts provided during the meeting, copies of which were provided. Mr. Galloway requested privilege to provide additional comments.

After discussion, the Board concurred to discuss agenda item 10(c).

ENGINEERING MATTERS INCLUDING CONTRACT FOR INSTALLATION OF FENCING TO PREVENT UNAUTHORIZED ACCESS

The Board discussed the fencing project and residents' requests to consider an alternate deterrent aside from the originally proposed fence. Director Ring noted the project has already been bid out and a contract awarded. Discussion ensued. After review and discussion, Director Ring moved to approve a change in scope to install bollards and cables in the cul-de-sac of Babbling Brook Court and requested pedestrian offsets be installed in all other locations where the fence is being installed. Director Rimes seconded the motion, which passed unanimously. Lindsey and Matt Ewers, Brittany and Colin Pounders, Denise Price, Shea Culpepper and Terry Lyons left the meeting. The Board concurred to resume the regular agenda order.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Jurecek distributed and reviewed the January 31, 2017 tax assessor/collector's report, a copy of which is attached. She reported the District's 2016 taxes are 82.11% collected. Following review and discussion, Director Rimes moved to approve the tax assessor/collector's report and payment of the tax bills. Director Ring seconded the motion, which passed unanimously.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

Ms. Humphries reviewed the Resolution Concerning Exemptions from Taxation with the Board. After review and discussion, Director Rimes moved to adopt the Resolution Concerning Exemptions from Taxation, granting a \$40,000 exemption for residents aged 65 years and older and/or disabled for 2017. Director Ring seconded the motion, which passed unanimously. Director Ring noted the Board usually sets the tax rate at the September or October meeting, depending on the receipt of the certified taxable value from the Fort Bend Central Appraisal District.

APPROVE AUDIT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2016

Mr. Cox presented the District's audit for the fiscal year ending September 30, 2016. After review and discussion, Director Rimes moved to approve the District's audit for the fiscal year ending September 30, 2016 and direct that it be filed

appropriately and retained in the District's official records. Director Ring seconded the motion, which passed unanimously.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT SUMMER CONFERENCE

The Board discussed payment of per diems and expenses to Director Ring for attendance at the winter Association of Water Board Directors conference. Ms. Garcia noted the reimbursement request was submitted in accordance with the prior approval by the Board. After discussion, Director Rimes moved to approve reimbursement to Director Ring for attendance at the winter AWBD conference and authorize attendance by all interested directors at the summer AWBD conference, June 22-25, 2017 in Corpus Christi, Texas. Director Ring 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. Following review and discussion, Director Rimes 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 stated that in accordance with the District's Investment Policy, the District's bookkeeper and Investment Officer, are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statements will be filed with the Texas Ethics Commission. Ms. Garcia presented the executed disclosure statements for the Board's consideration. After review and discussion, Director Ring moved to accept the disclosure statements from the District's bookkeeper and investment officer and direct that it be filed appropriately and retained in the District's official records. Director Rimes seconded the motion, which passed unanimously.

The Board reviewed the District's Investment Policy and concurred no changes were necessary at this time. Ms. Humphries then presented a Resolution Regarding Annual Review of Investment Policy for the Board's consideration. After review and discussion, Director Ring moved to adopt the Resolution Regarding Annual Review of Investment Policy and direct that it be filed appropriately and retained in the District's official records. Director Rimes seconded the motion, which passed unanimously.

The Board reviewed a list of authorized Broker/ Dealers provided by the District's bookkeeper. Ms. Humphries reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/ Dealers

with Whom the District May Engagement in Investment Transactions. After review and discussion, Director Ring moved to adopt Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/ Dealers with Whom the District May Engagement in Investment Transactions and direct that it be filed appropriately and retained in the District's official records. Director Rimes seconded the motion, which passed unanimously.

LEVEE AND DITCH MOWING AND DRAINAGE CHANNEL CLEANOUT

There was no discussion regarding this item.

OPERATION OF DISTRICT FACILITIES

Mr. Perry presented and reviewed the operations report and reviewed and discussed work completed by LMS during the last month. A copy of the report is attached.

Mr. Perry stated the Fort Bend County Drainage District ("FBCDD") conducted an inspection of the District's levee and a report will be issued shortly. Mr. Perry stated FBCDD requested the District clear trees 15 feet off of the levee, but noted the trees are not on District property. Mr. Perry reported FBCDD also discussed the maintenance of the outfall pipes with flaps in Rabbs Bayou and concluded the District does not need to maintain them.

Mr. Perry updated the Board regarding the Golf Club's apparent continued unauthorized use of detention lake water. He stated LMS continues to monitor the meter which is showing water is still being pumped, but he is not sure where the water is being pumped from since the known pump in the detention lake is capped. Mr. Rusk stated he contacted the Brazos River Authority and they are looking into the matter.

Following review and discussion, Director Rimes moved to approve the operator's report. Director Ring seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

The Board noted the fencing project was previously discussed.

Mr. Rusk updated the Board regarding matters related to the Canyon Gate Homeowners Association and Texas Department of Transportation ("TxDOT").

Director Ring requested Mr. Rusk include a list of proposed projects in the engineer's report.

After review and discussion, Director Ring moved to approve the engineer's report. Director Rimes seconded the motion, which passed unanimously.

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

Mr. Klump updated the Board on the District's SWMP. He distributed and reviewed the Year 3 annual report for the SWMP, including a summary of the Year 3 and Year 4 training and goals under the SWMP, copies of which are attached. He presented information regarding stormwater pollution, a copy of which is attached to the training and goals. He stated the information will be posted on cleanbayous.org so residents can easily access the information. Mr. Klump began his training session with the Board and other persons in attendance. Following review and discussion, Director Ring moved to approve the Year 3 annual SWMP report and the Year 4 goals. Director Rimes seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Ms. Humphries reported on the District's compliance activities during the prior calendar year related to bond financings. The Board concurred no action is required at this time.

REVIEW LIST OF LOCAL GOVERNMENT OFFICERS PURSUANT TO CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

The Board reviewed a list of the District's Local Government Officers ("List"). After review and discussion, Director Rimes moved to approve the List and direct that it be filed appropriately and retained in the District's official records. Director Ring seconded the motion, which passed by unanimous vote.

UPDATE DISTRICT INFORMATION KIT

The Board reviewed the District Information Kit. After review and discussion, Director Ring moved to approve the District Information Kit and direct that it be filed appropriately and retained in the District's official records and posted on the District's website. Director Rimes seconded the motion, which passed unanimously.

DISCUSS POSSIBLE ACCEPTANCE OF MASTER DISTRICT EMERGENCY SIGNS

Ms. Humphries stated the Greatwood Presidents discussed the possibility of the Master District giving the emergency static message boards and various smaller

emergency signs to the District for continued use in Greatwood after annexation and dissolution. Ms. Humphries presented and reviewed a bill of sale for the transfer of the signs. After review and discussion, Director Ring moved to approve the Bill of Sale and direct that it be filed appropriately and retained in the District's official records. Director Rimes seconded the motion, which passed unanimously. The Board asked LMS to arrange to store the signs at the emergency operations building.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

Ms. Humphries stated the District insurance policies with McDonald & Wessendorff Insurance expire in April. The Board requested ABHR obtain a renewal proposal from McDonald & Wessendorff Insurance.

COMMUNITY PROJECTS COMMITTEE

Director Rimes stated the Greatwood Community Association held a meeting to discuss the final plans for the community building. He stated the pool renovation and construction on the 3-acre tract are under way.

REPORTS ON GREATWOOD PRESIDENTS' 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 discussed the impending annexation and dissolution of the Greatwood MUDs and how to address the Greatwood Districts' website. Ms. Humphries stated the District's web administrator recommended the District retain the www.greatwooddistricts.com domain and have that site automatically redirect residents to a new District site. Discussion ensued and the Board requested ABHR request the administrator reserve FBLID11.com as the District's new domain name.

The Board directed ABHR to place the storm water pollution information on the District's website.

FEDERAL FLOOD INSURANCE LEGISLATION, PERIMETER LEVEE MAINTENANCE, AND ATTENDANCE AT LEVEE CONFERENCES

The Board reviewed a list from the County regarding director education opportunities in 2017.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board concurred to convene in executive session at 6:25 p.m.

RECONVENE IN EXECUTIVE SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION, OR SETTLEMENT OFFER

The Board reconvened in open session at 6:41 p.m.

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

(SEAL)



A handwritten signature in blue ink, appearing to read 'J. Jones', is written over a horizontal line. Below the line, the text 'Secretary, Board of Directors' is printed.

LIST OF ATTACHMENTS TO MINUTES

	Page <u>No.</u>
Petition from Babbling Brook Court residents	1
Tax assessor/collector's report	2
Bookkeeper's report.....	3
Operator's report.....	4
Engineer's Report.....	4
Year 3 annual report for the SWMP, including a summary of the Year 3 and Year 4 training and goals and website information.....	5