

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

September 11, 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 11th day of September, 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, thus constituting a quorum.

Also present at the meeting were Jeff Perry of Levee Management Services, LLC ("LMS"); Christina Perry of Myrtle Cruz, Inc.; Kelly Jurecek of Tax Tech, Inc.; Michael Rusk and Bob Bardin of LJA Engineering, Inc. ("LJA"); Greg Cox of Knox Cox & Company, LLP ("KC"); Pat Hughes of the City of Sugar Land ("City"); Lynne B. Humphries and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR"); and Bob Grant, Mauricio Baez, Scott Hagan, Trey Jung, Lance Morris, Lee Bales, James and Val Hills, Harold Kirby, Carry Moaden, Jeff Kuieriemmen, all residents of the District.

MINUTES

The Board considered approving the minutes of the August 7, 2017, regular meeting, which were provided in advance of the meeting. Following review and discussion, Director Jameson 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. Rusk discussed the Hurricane Harvey ("Hurricane"), the Brazos River levels, and the overall function of the District's levee and drainage system. He noted the levee and the District's drainage and pump stations performed very well during the event.

Mr. Rusk stated the District has two pump stations and all of the District's pumps were operational 24 hours a day pumping water out of the District during the event. He stated the pumps are designed to meet governmental design criteria to pump two inches of rainfall out in a 24 hour period in addition to the availability of the District's internal drainage storage. Mr. Rusk noted streets are also designed to serve as additional storm water storage capacity if needed. He stated although streets can detain additional water, the amount of water that can be stored in the streets is not calculated as storage volume and not utilized in the overall system design. Mr. Rusk

stated the District also has flap gates that operate under gravity flow, which close when the water reaches 37 feet preventing water from flowing back into the District.

In response to questions from residents, Mr. Rusk stated the lowest point of the District's levee system is along Rabbs Bayou which has an elevation of 77.1 feet and noted that even at the lowest elevation the levee still had freeboard, the distance between the top of the water and the top of the levee, during the recent event.

Mr. Rusk explained the calculation and correlation of the Richmond gauge readings, the Brazos River level and the height of the levee. He stated the Richmond gauge measures the depth of water at that point and noted 27.02 feet must be added to that measurement to reach the proper Brazos River level at the District's levee.

Discussion ensued regarding rising storm water inside the levee and use of pumps near one of the District's detention ponds. Mr. Rusk stated a small leak was discovered in one of the detention pond connections and temporary pumps were utilized to pump storm water out. He stated the issue will be addressed and repaired after the Board has an opportunity to discuss repair options.

Director Ring stated this meeting is the first time the District's directors and consultants have met since the event and the Board will be discussing the aftermath, possible improvements to the District's system and various ways to improve operations and communication with District residents.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2017

Mr. Cox stated the District entered into a three year engagement for KC to conduct the District's audit for the fiscal years ending September 30, 2016 through 2018 and requested authorization to conduct the District's audit for the current fiscal year. After discussion, Director Jameson moved to authorize KC to conduct the District's audit for the fiscal year ending September 30, 2017. Director Rimes seconded the motion, which passed unanimously.

HURRICANE HARVEY RELATED MATTERS

The Board noted most Hurricane matters were discussed under Public Comments. Ms. Humphries requested the Board authorize the District's consultants to begin preparation of necessary documents for submittal to the appropriate agencies, including the Federal Emergency Management Agency and Fort Bend County for reimbursement of expenses incurred as a result of the Hurricane. After review and discussion, Director Rimes moved to authorize the District's consultants to prepare and submit the necessary documents and information to begin reimbursement claims. Director Jameson seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Jurecek distributed and reviewed the August 31, 2017 tax assessor/collector's report, a copy of which is attached. She reported the District's 2016 taxes are 99.84% collected. Following review and discussion, Director Rimes moved to approve the tax assessor/collector's report and payment of the tax bills. Director Jameson seconded the motion, which passed unanimously.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S 2017 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.

Discussion ensued regarding capital improvements and the use of taxes versus bonding capacity to fund improvements. The Board requested the District's engineer and operator determine the costs to increase pumping capacity and make necessary and recommended improvements after the aftermath of the Hurricane. After discussion, the Board concurred to maintain the same tax rate and utilize the District's remaining bonding capacity to complete capital improvements.

The Board discussed its current operating budget, reserve funds and reviewed various scenarios with different tax rates. After discussion, the Board concurred to levy a total tax rate of \$0.205, with \$0.16 allocated for debt service and \$0.045 allocated for operations and maintenance. Ms. Humphries presented to the Board an Order Levying Taxes for a \$0.205 tax rate, comprised of \$0.16 for debt service and \$0.045 for operations and maintenance. Ms. Humphries also presented an Amendment to Information Form reflecting the newly adopted tax rate.

After review and discussion, Director Rimes 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 Jameson seconded the motion, which passed unanimously. The Board confirmed its intention that the 2017 tax levy includes a debt service component for the calendar year ending December 31, 2018, and a maintenance tax component for the fiscal year ending September 30, 2018.

REVIEW AND APPROVE TAX ASSESSOR PAYMENT CARD INDUSTRY DATA SECURITY STANDARD SELF-ASSESSMENT QUESTIONNAIRE AND ATTESTATION OF COMPLIANCE REGARDING THE ACCEPTANCE OF ELECTRONIC PAYMENT FOR PROPERTY TAXES

Ms. Jurecek stated this item is no longer necessary.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Perry 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. Perry presented and reviewed a draft budget for the fiscal year ending September 30, 2018.

Following review and discussion, Director Jameson moved to approve the bookkeeper's report, authorize payment of the bills listed therein, and adopt the District's budget for the fiscal year ending September 30, 2018. 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 updated the Board regarding operations and discussed work completed by LMS during the last month. No written report was presented.

Mr. Perry stated there was some sloughing on the District's levee during Hurricane. He stated the sloughing was temporarily repaired with sand bags during the Hurricane and noted LMS has since made permanent repairs which have already been reviewed and approved by the United States Army Corps of Engineers ("USACE").

Mr. Perry updated the Board regarding items noted during Fort Bend County Drainage District's ("FBCDD") inspection of the District's levee several months ago. He stated one of the issues the FBCDD noted was trees owned by the City near the Brazos River. He stated new regulations from the USACE address the issue and allow the trees to remain in place. Mr. Perry stated the USACE sent an email to the FBCDD regarding the matter, so he expects that issue to be removed from the inspection report.

Mr. Perry stated pump no. 2 at pump station no. 1 was operational during the Hurricane, but has since been pulled for repairs that were previously discussed with and approved by the Board.

Mr. Perry expanded on earlier discussion about the leak at one of the detention ponds and the temporary pumps used. Mr. Perry stated the District's engineer will design a flap gate and LMS will coordinate installation.

Mr. Perry stated there is a leak in pump station no. 1's discharge tunnel as a result of a minor tear. He stated LMS will bring a proposal to repair it next month.

Following review and discussion, Director Rimes moved to: (1) approve the operator's report; and (2) authorize the engineer and operator to coordinate regarding the repair of the leak and installation of the gate. Director Jameson seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

Mr. Rusk stated the design for the installation of sluice gates at pump station nos. 1 and 2 is currently under way.

The Board directed LJA to perform a drainage and levee analysis in relation to high water events. Mr. Perry noted LMS is surveying the District and flagging high water marks.

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

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

There was no discussion regarding this item.

DISCUSS LEVEE IMPROVEMENT DISTRICT DIRECTOR CONTINUING EDUCATION REQUIREMENTS AND REVIEW DIRECTOR HOURS

The Board discussed continuing education requirements.

ATTORNEY'S REPORT

There was no discussion regarding this item.

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

There was no discussion regarding this item.

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

Director Ring requested ABHR schedule a perimeter levee meeting of all the Boards in October.

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

(SEAL)




Secretary, Board of Directors

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