

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

September 18, 2018

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 18th day of September, 2018, inside the boundaries of the District, at the Greatwood Community Association Building, Sugar Land, Texas, and the roll was called of the members of the Board:

Justin Ring	President
Roberta Terrell	Vice President/ Assistant Secretary
Michael D. Rozell	Secretary/ Assistant Vice President

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

Also present at the meeting were Kelly Jurecek of Tax Tech, Inc.; Christina Perry of Myrtle Cruz, Inc.; Jeff Perry and Ross Autrey of Levee Management Services, LLC ("LMS"); Michael Rusk of LJA Engineering, Inc. ("LJA"); Pat Naff of CDC Unlimited, LLC ("CDC"); Debbie Shelton of Masterson Advisors LLC; Greg Cox of Knox Cox & Company, LLP ("KC"); Chris Elliott of Amerex Energy ("Amerex"); Lieutenant Rucker and Officer Sanderson of the City of Sugar Land Police Department ("SLPD"); and Lynne B. Humphries and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the August 6, 2018, regular meeting, which were provided in advance of the meeting. Following review and discussion, Director Terrell moved to approve the August 6, 2018, minutes, as submitted. Director Rozell 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.

DISCUSS ENFORCEMENT OF UNAUTHORIZED ACCESS TO THE DISTRICT'S LEVEE

Director Ring discussed recent unauthorized access on the District's detention pond and levee and reviewed the District's properties. Discussion ensued regarding various possible entry points on the levee and additional signage notifying residents of District property at various points. After discussion, the Board requested ABHR prepare a blurb for the District's website informing residents that access on the District's levee and detention facilities with motorized vehicles is not only prohibited, but a criminal

levee. After discussion, the Board requested ABHR prepare a blurb for the District's website informing residents that access on the District's levee with motorized vehicles is not only prohibited, but a criminal offense. The Board requested the blurb include a District map and direct residents to call the SLPD's non-emergency line at 281-275-2020 to report unauthorized access to the District's levee.

REVIEW BIDS AND AWARD SALE OF DISTRICT'S SERIES 2018 BONDS

Ms. Shelton presented and reviewed the bids received for the District's \$10,210,000 Unlimited Tax Bonds, Series 2018 Bonds (the "Series 2018 Bonds").

The Board next considered awarding the sale of the District's Series 2018 Bonds. Ms. Shelton stated she verified the accuracy of the bids and recommended that the Board accept the bid with the lowest net effective interest rate of 3.634109% submitted by Robert W. Baird & Co., Inc. A copy of the bid sheet is attached. She noted the District's Series 2018 bonds will be insured by BAM insurance.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$10,210,000 UNLIMITED TAX BONDS, SERIES 2018

Ms. Humphries reviewed a Resolution Authorizing the Issuance of the District's \$10,210,000 Unlimited Tax Bonds, Series 2018.

APPROVE PAYING AGENT/REGISTRAR AGREEMENT

Ms. Shelton then reviewed the Paying Agent/Registrar Agreement between the District and The Bank of New York Mellon Trust Company, N.A. It was noted no escrow agent is required.

APPROVE OFFICIAL STATEMENT

Ms. Sheldon stated that the Preliminary Official Statement will be updated to include information regarding the bond sale.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Humphries presented and reviewed a Certificate Regarding Provision of Financial Advice.

AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BOND SALE AND AUTHORIZE THE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BONDS TO THE PURCHASER

Ms. Humphries stated that it will be necessary for the President, Vice President, and Secretary of the Board to sign certain documents relating to the sale of the District's Series 2018 Bonds, and for the attorney to submit a transcript of the bond proceedings to

the Attorney General of Texas. She added that the financial advisor also will take necessary action in connection with the delivery of the bonds to the purchaser.

APPROVE CHECK TO ATTORNEY GENERAL RELATING TO BOND ISSUE
TRANSCRIPT REVIEW

The Board discussed approving a check to the Attorney General of Texas ("AG") for the Series 2018 Bonds transcript review.

AMENDMENT TO THE INFORMATION FORM

Ms. Humphries stated that the Texas Water Code requires the District to file an Amendment to the Information Form with Harris County and the Texas Commission on Environmental Quality in order to reflect the bonds issued by the District. She then reviewed the Amendment to the Information Form with the Board.

After review and discussion, Director Rozell moved to (1) award the sale of the District's Series 2018 Bonds to Robert W. Baird & Co., Inc., whose bid contained the lowest net effective interest rate; (2) adopt the Resolution Authorizing the Issuance of the District's \$10,210,000 Unlimited Tax Bonds, Series 2018, and direct that the Resolution be filed appropriately and retained in the District's official records; (3) approve the Paying Agent/Registrar Agreement between the District and The Bank of New York Mellon Trust Company, N.A., and direct that the Agreement be filed appropriately and retained in the District's official records; (4) approve the Official Statement for the Series 2018 Bonds, direct that the Statement be filed appropriately and retained in the District's official records; (5) approve the Certificate and direct that it be filed appropriately and retained in the District's official records; (6) authorize the President, Vice President, and Secretary to sign the documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action to deliver the bonds to the purchaser; (7) approve a check to the AG for the Series 2018 Bonds transcript review; (8) authorize execution of the Amendment to the Information Form and direct that the Amendment be filed appropriately and retained in the District's official records. Director Terrell seconded the motion, which passed by unanimous vote.

AUTHORIZE RENEWAL OR APPROVAL OF CONTRACT FOR ELECTRICITY
SERVICES

Mr. Elliot presented and reviewed current electricity pricing from Constellation New Energy Inc. He recommended the District consider remaining on the LMP index for the next six months to a year and continue to watch electricity pricing for favorable rates to lock in a contract. He noted if the District has an event that requires substantial pumping, pricing may increase. Mr. Elliot stated six month LMP pricing tends to remain at approximately \$0.04 per kilowatt hour. Discussion ensued regarding various options and the Board requested Mr. Elliott present pricing for a long-term contract at the District's next regular Board of Directors meeting.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2018

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 Ring moved to authorize KC to conduct the District's audit for the fiscal year ending September 30, 2018. Director Rozell seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Jurecek distributed and reviewed the tax assessor/collector's report, a copy of which is attached. She reported the District's 2018 taxes are currently 99.47% collected. Ms. Jurecek also reported certified taxable values for the District. Following review and discussion, Director Terrell moved to approve the tax assessor/collector's report and payment of the tax bills. Director Rozell seconded the motion, which passed unanimously.

DISCUSS 2018 TAX RATE, SET PUBLIC HEARING DATE AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Ms. Shelton presented and reviewed debt service tax rate analyses, recommending the District levy a 2018 debt service tax rate of \$0.16 as well as showing the impact of various other debt service tax rates. She reviewed projected maintenance and operations revenue for maintenance and operations tax rate. Copies of the analyses are attached. The Board discussed the proposed 2018 tax rate. After review and discussion, Director Rozell moved to authorize the tax assessor/collector to publish notice of a public hearing on October 1, 2018, in the *Fort Bend Herald* regarding the Board's adoption of 2018 tax rate of \$0.2385 per \$100 of assessed valuation, with \$0.1785 allocated for debt service and \$0.06 allocated for operations and maintenance. Director Terrell seconded the motion, which passed unanimously. It was noted the District exceeded the rollback rate in order to fund current and future improvements and construct additional facilities as a result of information obtained during Hurricane Harvey.

FINANCIAL AND BOOKKEEPING MATTERS AND BUDGET FOR FISCAL YEAR ENDING SEPTEMBER 30, 2019

Ms. Perry distributed and reviewed the bookkeeper's report, including the monthly budget comparison and a 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, 2019, a copy of which is attached to the bookkeeper's report.

Following review and discussion, Director Terrell moved to approve the bookkeeper's report and authorize payment of the bills listed therein, and adopt the budget for the fiscal year end September 30, 2019. Director Rozell seconded the motion, which passed unanimously.

LEVEE AND DITCH MOWING

Mr. Naff updated the Board regarding levee and ditch mowing in the District. He stated initially the City of Sugar Land agreed to mow the dry detention pond upon annexation of the Greatwood municipal utility districts, but has not maintained it since the annexation. Discussion ensued and the Board noted the detention pond is a District facility and directed Mr. Naff to mow and maintain the detention pond in the manner outlined in the District's agreement with CDC.

OPERATION OF DISTRICT FACILITIES

Mr. Perry distributed and reviewed the operator's report, including maintenance and repair items completed by LMS during the previous month. A copy of the report is attached.

Mr. Perry stated the roof is leaking at pump station no. 1 and noted he will present proposals for repairs next month.

Following review and discussion, Director Terrell moved to approve the operator's report. Director Rozell 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 updated the Board regarding the installation of backup sluice gates at pump station no. 1 and pump station no. 2 and recommended the Board approve payment of Pay Estimate No. 3 in the amount of \$14,400 to NBG Constructors, Inc., for work at pump station nos. 1 and 2.

Mr. Rusk updated the Board regarding the detention pond capacity and levee improvement project and requested authorization to advertise and solicit bids for the project.

Mr. Rusk updated the Board regarding the design for the pump station at Forest Green.

Mr. Rusk stated there were no updates regarding acquisition of land from the Canyon Gate Homeowners Association or the land acquisition for the levee raising project.

Mr. Rusk discussed the installation of an outfall pipe to assist with drainage and reviewed two options for installation. He stated the first option would involve boring through the levee for an estimated cost of \$53,000 and the second option would be a siphon for approximately \$48,500.

Mr. Rusk presented and reviewed the updated Emergency Action Plan ("EAP") for the District and requested authorization to submit the EAP to Fort Bend County.

After review and discussion, Director Rozell moved to (1) approve the engineer's report; and (2) approve Pay Estimate No. 3 in the amount of \$14,400 to NBG Constructors, Inc., for work at pump station nos. 1 and 2; (3) authorize the engineer to advertise and solicit bids for the detention pond capacity and levee improvement project; (4) approve option no. 2 to install a siphon to improve District drainage in the amount of \$48,500; and (5) approve the EAP and authorize submittal to Fort Bend County. Director Terrell seconded the motion, which passed unanimously.

MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

There was no discussion regarding this item.

WEBSITE MATTERS

The Board previously discussed posting information on the District's website regarding unauthorized access on the District's levee and requested ABHR post a notice regarding the District's tax rate as well.

ATTORNEY'S REPORT

There was no discussion regarding this item.

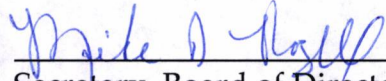
DISCUSS NATIONAL ASSOCIATION OF FLOOD AND STORMWATER MANAGEMENT AGENCIES SUMMER CONFERENCE, ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT 2019 CONFERENCES, FEDERAL FLOOD INSURANCE AND STATE LEGISLATION, PERIMETER LEVEE MAINTENANCE, AND ATTENDANCE AT LEVEE OR FLOODPLAIN CONFERENCES

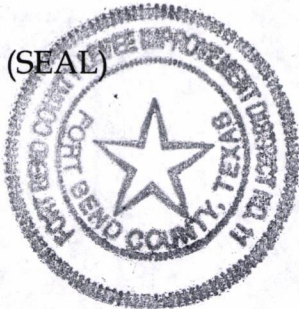
Mr. Perry discussed upcoming director continuing education opportunities.

REPORTS FROM DIRECTORS AND CONSULTANTS

There was no discussion regarding this item.

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


Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Page <u>No.</u>
Bid sheet	2
Tax assessor/collector's report	4
Tax rate recommendation letter and analysis.....	4
Bookkeeper's report.....	4
Operator's report.....	5
Engineer's report.....	5