

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

September 4, 2019

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 4th day of September, 2019, 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 Greg Cox of Knox Cox & Company, LLP ("KC"); Bob Grant, resident of the District; Debbie Shelton of Masterson Advisors LLC; Kelly Jurecek of Tax Tech, Inc.; Christina Perry of Myrtle Cruz, Inc. ("MC"); Jimmy Thompson, Jeff Perry and Ross Autrey of Levee Management Services, LLC ("LMS"); Michael Rusk of LJA Engineering, Inc.; Pat Naff of CDC Unlimited, LLC ("CDC"); Samir Asaid and Greg Bowen of Enchanted Rock ("ER"); and Lynne Humphries and Nikole Cales of Allen Boone Humphries Robinson LLP.

MINUTES

The Board considered approving the minutes of the August 7, 2019, regular meeting, which were provided in advance of the meeting. Following review and discussion, Director Rozell moved to approve the August 7, 2019, regular meeting minutes, as submitted. Director Terrell seconded the motion, which was approved by unanimous vote.

COMMENTS AND QUESTIONS FROM THE PUBLIC

Mr. Bowen introduced himself and Mr. Asaid and presented and reviewed information offered by ER. He stated ER owns and maintains the generator equipment over a 15-year contract period. Ms. Humphries discussed potential issues related this approach if the facilities being supported by the generators were financed by tax-exempt bonds. She stated she will review the issue with the ABHR tax attorney. The Board asked Mr. Rusk to determine if the facilities to be served by the generator and the site were financed with tax-exempt bonds. Discussion ensued regarding the logistics and location of installation.

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

The Board discussed continuing education requirements and noted all directors have met the required hours.

REFUNDING BONDS, SERIES 2019

Ms. Shelton reviewed possible scenarios for a refunding opportunity for the Series 2008 and some of the Series 2011 and 2012 bonds in an approximate amount of \$11,390,000. A copy of her analysis is attached. She stated the proposed refunding would yield an approximate present value savings of \$522,000 or 4.65%. Ms. Shelton noted the exact savings is dependent upon pricing on the day of the sale. Ms. Shelton presented and reviewed the Preliminary Official Statement ("POS"). Discussion ensued regarding designating an underwriter, engaging a rating company and appointing a paying agent/ registrar. After review and discussion, Director Rozell moved to: (1) adopt Resolution Authorizing the Issuance of the Districts Unlimited Tax Refunding Bonds, Series 2019 and authorize the Board of Directors to sign all documents relating to the sale of the bonds (2) engage Standard & Poor's to perform a ratings analysis; (3) approve the POS; (4) designate Robert W. Baird & Co., and in the alternate SAMCO Capital Markets, as the underwriter; (5) appoint Bank of New York Mellon as the paying agent/ registrar; (6) authorize the District's financial advisor and attorney to take all necessary action in connection with the issuance of the District's Unlimited Tax Refunding Bonds, Series 2019 so as long as it meets the following parameters: total principal amount not to exceed \$13,000,000 and a minimum present value saving of 4%, and designate the President to work with Ms. Shelton to price the refunding; (7) authorize execution of Certificate Regarding Provision of Financial Advice; (8) approve check to Attorney General; and (9) authorize the President and Secretary to execute all documents related to the refunding. Director Terrell 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 99.61% collected. Following review and discussion, Director Rozell moved to approve the tax assessor/collector's report and payment of the tax bills. Director Terrell seconded the motion, which passed unanimously.

DISCUSS 2019 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, showing the impact of various debt service tax rates to be levied in 2019. She reviewed projected maintenance and operations revenue from the maintenance and operations tax rate. Copies of the analyses are attached. The Board discussed the proposed 2019 tax rate. After review and discussion, Director Rozell moved to authorize the tax

assessor/collector to publish notice of a public hearing on October 2, 2018, in the *Fort Bend Herald* regarding the Board's adoption of 2019 tax rate of \$0.265 per \$100 of assessed valuation, with \$0.185 allocated for debt service and \$0.08 allocated for operations and maintenance. Director Terrell seconded the motion, which passed unanimously.

The Board requested Off Cinco to post a notice on the District's website regarding the new tax rate and current and upcoming projects. The Board requested the tax assessor/ collector direct people to the District's website in the tax rate publication.

AUTHORIZE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2019

Mr. Cox presented and reviewed an engagement letter to conduct the District's audit for the fiscal year ending September 30, 2019. After review and discussion, Director Rozell moved to engage KC for to conduct the District's audit for the 2019 fiscal year end. Director Terrell seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

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 noted Directors Ring and Rozell's NAFSMA expenses were submitted in accordance with the District's Travel Reimbursement Policies. Following review and discussion, Director Rozell moved to approve the bookkeeper's report and authorize payment of the bills listed therein. Director Terrell seconded the motion, which passed unanimously.

Ms. Perry presented and reviewed draft budgets for the fiscal year ending September 30, 2020, a copies of which are included in the bookkeeper's report. Following review and discussion, Director Rozell moved to adopt the budget for the fiscal year end September 30, 2020, reflected on page 15, as amended to include a generator reserve line item of \$100,000. Director Terrell seconded the motion, which passed unanimously.

LEVEE AND DITCH MOWING

Mr. Naff updated the Board regarding mowing in the District. Director Ring discussed the resident request in Woodhaven and Mr. Naff stated he believed the area has been maintained and sprayed. Mr. Perry discussed the letter received from the City of Sugar Land ("COSL") regarding maintenance. He stated he and Mr. Naff will address the issue.

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. He noted the District's system is operating at normal conditions. A copy of the report is attached.

Mr. Perry updated the Board regarding the installation of security cameras and lighting for the pump stations.

Following review and discussion, Director Rozell moved to approve the operator's report. Director Terrell 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 there are no updates to the Capital Improvement Plan.

Mr. Rusk updated the Board regarding the detention pond expansion and levee raising improvement project. He stated he received bids on August 28, 2019 and recommended awarding the contract to Longhorn Excavators in the amount of \$1,397,547.96, pending the finalization of the land acquisition. Discussion ensued and the Board concurred to defer the award of the contract until the condemnation schedule is determined.

Mr. Rusk recommended the Board approve a proposals from Tulonay-Wong for geotechnical services for pump station no. 1 in the amount of \$27,900 and materials testing for the levee raising project in the amount of \$29,045.

Mr. Rusk updated the Board regarding the installation of backup sluice gates at pump station no. 1 and pump station no. 2 and stated there were no new pay estimates submitted by NBG Constructors, Inc. He stated the pump station no. 2 gate is being installed and the gate at pump station no. 1 will be installed once it is received.

Mr. Rusk updated the Board regarding the Forest Green pump station and noted construction contracts will be circulated for execution.

Mr. Rusk presented and reviewed the updated Emergency Action Plan.

After review and discussion, Director Rozell moved to: (1) approve the engineer's report; (2) approve proposals from Tulonay-Wong for geotechnical services for pump station no. 1 in the amount of \$27,900 and materials testing for the levee raising project in the amount of \$29,045; (3) approve the updated Emergency Action Plan; and (4) authorize advertisement for installation of pumps at pump station no. 2. Director Terrell seconded the motion, which passed unanimously.

MS4 STORM WATER MANAGEMENT PLAN

There was no discussion regarding this matter.

WEBSITE MATTERS

The Board noted a notice related to the proposed tax rate and current and future projects will be posted to the website.

ATTORNEY'S REPORT

Director Ring opened the District's public hearing to describe the public drainage project to raise the District's levee parallel to the Brazos River, which involves the acquisition of undeveloped park property owned by the Texas Parks & Recreation Foundation recently granted to the City of Sugar Land at the west side of the Brazos River south of Interstate 69 in Sugar Land, Texas.

Mr. Rusk discussed the proposed drainage improvements and levee raising project in the location described above. Mr. Rusk stated the District and surrounding areas have experienced three 500-year flood events in the past three years, including Hurricane Harvey. The Board concurred raising the District's levee is necessary to protect property and people within the boundaries of the District from flooding of the Brazos River. He stated in order to raise the levee, the District must acquire additional land to accommodate the necessary width required to maintain the integrity of the levee. He said there is no option to acquire land east of the existing levee because homes and a detention pond back up to the levee, whereas all land west of the existing land is undeveloped land, which was donated to the City and the Texas Parks & Recreation Foundation by the Greatwood developer years ago. Mr. Rusk stated the additional land will also allow the District to maintain the levee to meet the standards and regulations set forth by Fort Bend County, FEMA and the United States Army Corps of Engineers.

Upon hearing the evidence presented by the District's engineer, no members of the public addressed the Board. Director Ring closed the public hearing.

After discussion and review, the Board made the following findings:

Pursuant to TEX. PARKS & WILD. CODE ANN. § 26.001, the Board finds:

- (1) there is no feasible and prudent alternative to the use or taking of such land; and
- (2) the program or project includes all reasonable planning to minimize harm to the land, as a park, recreation area, scientific area, wildlife refuge, or historic site, resulting from the use or taking.

Further, pursuant to Section 21.023 of the Texas Property Code, the Board hereby discloses: City of Sugar Land and Texas Parks & Recreation Foundation, a Domestic Non-Profit Corporation, and their successors or assigns (i) may be entitled to repurchase the Property under Subchapter E of the Texas Property Code or request from the District certain information relating to the use of the Property and any actual progress made towards that use; and (ii) the repurchase price shall be the price paid to the District at the time District acquired the property through eminent domain.

DISCUSS NATIONAL ASSOCIATION OF FLOOD AND STORMWATER MANAGEMENT AGENCIES ("NAFSMA") CONFERENCE, ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") MATTERS, FEDERAL FLOOD INSURANCE AND STATE LEGISLATION, PERIMETER LEVEE MAINTENANCE, AND FORT BEND FLOODPLAIN MANAGEMENT ASSOCIATION

Director Ring noted he and Director Rozell attended the NAFSMA conference. The Board concurred to authorize attendance at the 2020 NAFSMA conference.

Ms. Humphries discussed the 2.0 Federal Emergency Management Agency Federal Flood Insurance proposal based on property risk allocation.

REPORTS FROM DIRECTORS AND CONSULTANTS

The Board concurred to meet at 8:00 a.m. on October 2, 2019, the District's regularly scheduled meeting time and date.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.076, TEXAS GOVERNMENT CODE, TO DELIBERATE THE DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES, OR A SECURITY AUDIT

The Board did not convene in executive session for this item.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING DEPLOYMENT, OR SPECIFIC OCCASIONS FOR IMPLEMENTATION OF SECURITY PERSONNEL OR DEVICES

The Board did not convene in executive session for this item.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY, AND DISCUSS CONDEMNATION OF PROPERTY FOR LEVEE RAISING PROJECT

The Board convened in executive session at 9:28 a.m.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY, INCLUDING AUTHORIZATION PROCEEDING WITH CONDEMNATION OF PROPERTY FOR LEVEE RAISING PROJECT

The Board reconvened in open session at 10:11 a.m. Upon reconvening in open session, Director Rozell moved to adopt a Resolution Finding Necessity for Acquisition of Real Property Interests of Protected Land by Fort Bend County Levee Improvement District No. 11. Director Ring seconded the motion, which passed unanimously.

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 RELATED TO DAMAGED SLUICE GATES


The Board did not convene in executive session for this purpose.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER RELATED TO DAMAGED SLUICE GATES

The Board did not convene in executive session.

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>
effects of possible refunding.....	2
Tax assessor/collector's report	2
Tax rate recommendation letter and analysis.....	2
Bookkeeper's report.....	3
Operator's report.....	3
Engineer's report.....	4
Capital Improvement Plan	4