

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 11

January 15, 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 15th day of January, 2018, 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
Roberta Terrell	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 Bob Grant, resident of the District; Greg Cox of Knox Cox & Company, LLP; Kelly Jurecek of Tax Tech, Inc.; Wendy Devita of Myrtle Cruz, Inc.; Pat Naff of CDC Unlimited, LLC; Jeff Perry and Jimmy Thompson of Levee Management Services, LLC ("LMS"); Michael Rusk of LJA Engineering, Inc.; Debbie Shelton of Hilltop Securities, Inc.; and Lynne B. Humphries and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the November 6 and December 13, 2017, regular meetings, which were provided in advance of the meeting. Director Terrell noted a correction to the December 13, 2017, meeting minutes. Following review and discussion, Director Ring moved to approve both sets of minutes, subject to correction as discussed. Director Terrell seconded the motion, which was approved by unanimous vote, except for Director Rimes who was not present for the discussion or the vote.

COMMENTS AND QUESTIONS FROM THE PUBLIC

There were no comments from the public.

APPROVE AUDIT FOR FISCAL YEAR ENDING SEPTEMBER 30, 2017

Mr. Cox presented a draft of the District's audit for the fiscal year ending September 30, 2017. After review and discussion, Director Terrell moved to approve the District's audit for the fiscal year ending September 30, 2017, subject to final review and approval, and direct that it be filed appropriately and retained in the District's official records. Director Ring seconded the motion, which passed unanimously, except for Director Rimes, who was not present for the discussion or the vote.

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 2017 taxes are 20.34% collected as of December, 31, 2017. Ms. Jurecek presented correspondence from the District's delinquent tax attorney, Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue, Brandon"), requesting permission to sell a residential property with delinquent taxes for years 2015, 2016, and 2017, at a tax sale. Following review and discussion, Director Terrell moved to (1) approve the tax assessor/collector's report and payment of the tax bills; and (2) authorize Perdue, Brandon to sell a residential property with three years of delinquent taxes at a tax sale. Director Ring seconded the motion, which passed unanimously, except for Director Rimes, who was not present for the discussion or the vote.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Devita 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. Following review and discussion, Director Terrell moved to approve the bookkeeper's report and authorize payment of the bills listed therein. Director Ring seconded the motion, which passed unanimously, except for Director Rimes who was not present for the discussion or the vote.

LEVEE AND DITCH MOWING

Mr. Naff updated the Board regarding mowing in the District.

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. Director Ring requested a copy of LMS' list of preventative maintenance items for the District's facilities. Following review and discussion, Director Terrell moved to approve the operator's report. Director Ring seconded the motion, which passed unanimously, except for Director Rimes who was not present for the discussion or the vote.

PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

There was no discussion regarding this item.

WEBSITE MATTERS

There was no discussion regarding this item.

Director Rimes joined the meeting.

ATTORNEY'S REPORT

ANNUAL DISCLOSURE STATEMENTS

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. Devita presented the executed disclosure statements for the Board's consideration. Director Terrell seconded the motion, which passed unanimously.

ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPTION OF AMENDED INVESTMENT POLICY

The Board reviewed the District's Investment Policy. Ms. Humphries reviewed recommended changes to the District's Investment Policy due to several changes to the Public Funds Investment Act, Public Funds Collateral Act, and other laws impacting the investments of governmental entities that were enacted during the 2017 Legislative Session.

Ms. Humphries then presented a Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy for the Board's consideration.

AUTHORIZED DEPOSITORY INSTITUTIONS AND BROKER/DEALERS

The Board reviewed a list of authorized depository institutions and qualified 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 Engage in Investment Transactions.

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.

LIST OF LOCAL GOVERNMENT OFFICERS

The Board reviewed a list of the District's Local Government Officers ("List").

EDUCATION/TRAINING COMPLIANCE STATUS FOR THE BOARD

The Board discussed continuing education requirements and reviewed a chart of Directors' continuing education hours for 2017. Director Rimes stated he attended a Drainage District continuing education event following Hurricane Harvey. Ms. Humphries stated ABHR would contact the Drainage District to obtain the certificate for his attendance.

After review and discussion of all of these items by Ms. Humphries, Director Rimes moved to: (a) accept the disclosure statements from the District's bookkeeper and Investment Officer and direct they be filed appropriately and retained in the District's official records, (b) adopt the Resolution Regarding Annual Review of Investment Policy and Adoption of Amended Investment Policy and direct that it be filed appropriately and retained in the District's official records, (c) adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that it be filed appropriately and retained in the District's official records, (d) approve the List and direct that it be filed pursuant to Chapter 176 of the Texas Local Government Code and retained in the District's official records, and (e) approve and authorize filing of education/training compliance status for the Board with the Fort Bend County Drainage District, subject to updating documentation of Directors' continuing education hours for 2017. Director Terrell seconded the motion, which was approved by unanimous vote.

UPDATE DISTRICT INFORMATION KIT

The Board reviewed the District Information Kit. Following review and discussion, the Board concurred to further review the District Information Kit after updates are added by Mr. Rusk.

EXPIRATION OF DISTRICT'S INSURANCE POLICIES

Ms. Humphries stated the District insurance policies with McDonald & Wessendorff Insurance expire in April, 2018. The Board requested ABHR obtain a renewal proposal from McDonald & Wessendorff Insurance.

ENGINEERING MATTERS

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

Mr. Rusk reviewed an updated Capital Improvement Plan and a draft summary of costs for proposed bond issue no. 8. A copy of the updated Capital Improvement Plan is attached to the engineer's report. Discussion ensued regarding revisions to fees and construction costs included in the draft summary of costs. Following review and

discussion, Mr. Rusk stated he will coordinate with Ms. Shelton on revising the summary of costs. Director Rimes moved to approve the projects included in the summary of costs and authorize Mr. Rusk to prepare an application for bond issue no. 8. Director Terrell seconded the motion, which was approved by unanimous vote.

Mr. Rusk updated the Board regarding the installation of backup sluice gates at pump station no. 1 and pump station no. 2. He stated bids are anticipated January 23, 2018, unless delayed by electrical questions.

Mr. Rusk updated the Board regarding the installation of a flap gate at the southern detention pond outfall. He stated that the flap gate is on backorder until March, 2018, and will be installed as soon as possible after delivery.

The Board discussed the impact of flooding and severe weather on the maintenance of the District's wetlands bed plantings. Following discussion, the Board concurred to remove the maintenance item from the District's agenda calendar.

Mr. Rusk reviewed draft maps being prepared for an inundation study. Discussion ensued regarding the study.

Mr. Rusk presented and reviewed with the Board a proposal in the amount of \$181,700.00 for engineering services for raising the District's levee to six feet above the levee height required for freeboard by the Federal Emergency Management Agency. He discussed performing storm sewer improvements as a separate project and the Board concurred. Director Rimes moved to approve the engineering proposal as presented. Director Terrell seconded the motion, which was approved by unanimous vote.

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

PERIMETER LEVEE JOINT BOARD MEETINGS

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 CITY OF SUGAR LAND MATTERS

The Board discussed holding an Open House at the District's Pump Station No. 1. Following discussion, Director Ring requested that the Directors and consultants review their availability for proposed Saturday morning dates during March and April, 2018 to assist with scheduling the Open House.

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


There was no discussion regarding this agenda item.

The Board concurred to hold its next meeting on February 5, 2018, at 5:30 p.m. at the Greatwood Recreational Center, if available.

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

(SEAL)




Secretary, Board of Directors

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