

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 14

March 12, 2018

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 14 (the "District") met in regular session, open to the public, on the 12th day of March, 2018, at One Avalon Place, Sugar Land, Texas, inside the boundaries of the District, and the roll was called of the members of the Board:

Jeffrey Anderson	President
Sujeeth Draksharam	Vice President/ Assistant Secretary
Herbert Krog	Secretary/ Assistant Vice President

and all of said persons were present, thus constituting a quorum.

Also present at the meeting were Jeff Perry and Ross Autrey of Levee Management Services ("LMS"); Robin Goin of Bob Leared Interests ("BLI"); Jason Kelly of LJA Engineering, Inc. ("LJA"); Christina Perry of Myrtle Cruz, Inc. ("MC"); Stacey Williams of Champions Hydro-Lawn, Inc. ("Champions"); Keisha Seals of the City of Sugar Land ("City"); and Whitney Higgins and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the February 12, 2018 regular meeting. After review and discussion, Director Krog moved to approve the minutes of the February 12, 2018 regular meeting, as submitted. Director Draksharam seconded the motion, which passed by majority vote.

COMMENTS FROM THE PUBLIC

No public comments were received by the Board.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Perry distributed and reviewed the bookkeeper's report for February, including the list of checks presented for approval, investment report and budget comparison, a copy of which is attached. Following review and discussion, Director Krog moved to approve the bookkeeper's report, investment reports, and authorize payment of the District's bills. Director Draksharam seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Goin distributed and reviewed the tax assessor/collector's report for February, a copy of which is attached. She noted the District's 2017 taxes are 98.1% collected as of February, 2018. Ms. Goin reviewed a delinquent list with the Board, a copy of which is attached to the tax assessor/collector's report. After review and discussion, Director Krog moved to approve the tax assessor/collector's reports and payment of the tax bills. Director Draksharam seconded the motion, which passed by unanimous vote.

MATTERS PERTAINING TO THE CITY OF SUGAR LAND ("CITY")

Director Draksharam discussed the Federal Emergency Management Agency ("FEMA") Flood Plain map which erroneously reflects some houses in the District as being in the 100-year flood plain. He stated he believes the City has some responsibility to resolve the issue with FEMA due to it being the flood plain administrator. Ms. Seals noted one of the City's engineers is coordinating with the District's engineer regarding the matter. Mr. Kelly stated he will discuss additional information regarding this matter under the engineer's report.

Ms. Seals updated the Board regarding the City's drainage study.

SUGAR LAND AMBASSADOR PROGRAM - BRAZOS RIVER EROSION STUDY

Ms. Seals stated the City has engaged Huitt-Zollars to perform a Brazos River erosion study and will present its findings and recommendations within the next few months. She stated the City will hold a workshop with all levee districts within the City to discuss the findings and recommendations. In response to questions from the Board, Ms. Seals stated the City is currently performing an independent study and not coordinating with other cities due to time constraints and the urgency of the matter. She stated once the City has the study, it may pursue coordination with other entities.

PHASE II MS4 STORM WATER MANAGEMENT PLAN ("SWMP") IMPLEMENTATION

There was no discussion regarding this matter.

REPORT ON LEVEE MAINTENANCE

Ms. Williams presented and reviewed the levee maintenance report and updated the Board regarding mowing and maintenance of the District's levee. A copy of the report is attached. She stated the spring overseeding and fertilization will occur within the next month.

ENGINEERING MATTERS

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

Mr. Kelly updated the Board regarding the unauthorized installation of fiber optic cabling on District property. He stated the City is facilitating a meeting of all interested parties and PS Lightwave on March 20, 2018 at the Commonwealth Clubhouse at 1:30 p.m. Mr. Kelly stated the parties are hoping to reach an agreement that is amenable to all.

Mr. Kelly updated the Board regarding the levee plantings at University Boulevard and stated additional information will be presented when the City has completed improvements in the area.

Discussion ensued regarding possible District improvements. Mr. Kelly presented and reviewed a proposal for LJA to prepare the pump station design, specifications, and installation. He requested authorization to begin preparation of design and specifications in the amount of \$354,250, excluding fees for architectural and geotechnical services. He stated the anticipated start schedule for the projects is January, 2019. Discussion ensued regarding the proposal cost and the amount of work necessary for LJA to be able to present firm cost estimates and time lines. Mr. Kelly explained costs for surveying were reduced because the survey work is limited, but there was an increase in the line item for engineer, civil, structural, and electrical facilities due to the complexity of the project for the engineering versus the surveying component. Discussion ensued regarding preparing the design, bids and specifications for the projects on a time and materials fee cost basis and/or negotiated lump sum costs. The Board requested Mr. Kelly to prepare a more defined proposal and fee structure breakdown.

Mr. Kelly stated LJA and LMS are still coordinating with the City regarding updates to the District's Emergency Action Plan.

The Board concurred to hold a special meeting on March 26, 2018, at 3:00 p.m. to further discuss engineering design and preparation costs.

After review and discussion, Director Krog moved to (1) approve the engineer's report; and (2) table engineering proposal for preparation of design and bid specifications for the proposed projects, but authorize the engineer to prepare additional information on a time and materials basis, per the District's contract with LJA. Director Draksharam seconded the motion, which passed unanimously.

DISCUSS TIMELINE FOR ISSUANCE OF BONDS FOR DISTRICT IMPROVEMENTS

The Board reviewed a proposed timeline for the issuance of bonds for District improvements, a copy of which is attached.

FEMA APPLICATIONS FOR FUNDING

Mr. Perry stated FEMA declined reimbursement for the District's FEMA claims for Hurricane Harvey. He stated LMS and ABHR are currently pursuing options for FEMA to reconsider the matter.

OPERATION OF DISTRICT FACILITIES

Mr. Perry presented and reviewed the operator's report and updated the Board regarding operating matters, and maintenance and repairs within the District. A copy of the report is attached.

Mr. Perry stated the regrading of the back slope swale on the south side of University Boulevard is nearly complete.

Mr. Perry updated the Board regarding the posting of signs opposite the entrance signs for the District, reflecting that pedestrians or drivers are exiting the District. He stated ten signs were ordered, eight will be installed, and two will kept on reserve to be used as needed.

Mr. Perry reported all replacement electrical parts have been ordered to keep on hand in case they are needed.

After review and discussion, Director Krog moved to approve the operator's report. Director Draksharam seconded the motion, which passed unanimously.

AMENDMENT TO AGREEMENT WITH LEVEE MANAGEMENT SERVICES, LLC

Mr. Perry presented and reviewed the First Amendment to the District's agreement with LMS ("Amendment") and discussed a new rate structure, which is attached to the Amendment as Exhibit A. Mr. Perry stated the Board approved the Amendment at its December 11, 2017 meeting, but noted the language and rate structure had not been finalized. He stated the Amendment encompasses all changes approved at the December 11, 2017 meeting as well as the current rate structure. After review and discussion, Director Krog moved to re-approve the First Amendment in its final form, which was previously approved and discussed at the December 11, 2017 meeting. Director Draksharam seconded the motion, which passed unanimously.

WEBSITE

Director Draksharam discussed the new website, www.fbclid14.org. He requested the website be sent to the homeowners' associations.

AUTHORIZE EXECUTION OF ENGAGEMENT LETTER WITH ABHR LLP TO SERVE AS ATTORNEY FOR THE DISTRICT

Ms. Higgins reviewed an engagement letter for Allen Boone Humphries Robinson, LLP ("ABHR") to serve as the District's general and bond counsels. Upon a motion made by Director Krog and seconded by Director Draksharam, the Board engaged ABHR to serve as attorney for the District and direct that the engagement letter be filed appropriately and retained in the District's official records.

PERIMETER LEVEE INSPECTION AND MEETINGS, DISCUSS COMMON INSPECTION AND OPERATION AND MAINTENANCE AND REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS REGARDING EVENTS AND ACTIVITIES ATTENDED DURING THE MONTH

The Board discussed a letter received from Fort Bend County Levee Improvement District No. 2's ("LID 2") in response to the District's letter regarding a study performed by LID 2's engineer utilizing District information without authorization and out of context. The Board concurred no response was necessary since its opinions were expressed in the initial letter.

AUTHORIZE FILING OF AUDIT IN ACCORDANCE WITH DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15c2-12

Ms. Higgins stated the District's audit containing updated financial and operating data must be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file certain financial and operating data with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System in compliance with SEC Rule 15c12-12 and with the Municipal Advisory Council of Texas, the State Information Depository. She presented filing letters for the Audit for the Board's consideration. After review and discussion, Director Krog moved to file the District's Audit electronically and direct that it be filed appropriately and retained in the District's official records. Director Draksharam seconded the motion, which passed unanimously.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. The Board concurred no changes are required at this time.

DISCUSS NEXT MEETING DATE

The Board discussed its regular meeting date and concurred to meet on April 9, 2018, at 3:00 p.m.

CONSULTANT REVIEW PROCESS

The Board concurred to table review of the bookkeeper's contract until the next meeting.

There being no further business, the meeting was adjourned.

(SEAL)



Herbert P. Long
Secretary, Board of Directors

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