

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 14

November 13, 2017

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 13th day of November, 2017, 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 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 Wagner of Champions Hydro-Lawn, Inc. ("Champions"); Keisha Seals of the City of Sugar Land ("City"); Shannon Waugh of Off Cinco; Greg Lentz of FirstSouthwest, a Division of Hilltop Securities ("FSW"); and Angela Lutz and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the October 9, 2017 regular meeting, which were provided in advance of the meeting. After review and discussion, Director Krog moved to approve the minutes of the October 9, 2017 regular meeting, as amended. Director Draksharam seconded the motion, which passed by majority vote.

COMMENTS FROM THE PUBLIC

There were no members of the public who wished to address the Board.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Perry distributed and reviewed the bookkeeper's reports for October and November, including the list of checks presented for approval, investment report and budget comparison, copies of which are attached.

Director Draksharam requested LMS provide backup documentation, specifically hours worked by LMS employee, for all Hurricane Harvey LMS payments.

The Board requested Ms. Perry add a Hurricane Harvey/Federal Emergency Management Agency ("FEMA") expense tracking sheet. Mr. Perry inquired if the City will be invoicing the District for fuel costs incurred during Hurricane Harvey. Ms. Seals stated she will follow up regarding the matter.

Discussion ensued regarding the use of electrician services during Hurricane Harvey and Mr. Perry stated LMS' electrician addressed issues within the District and noted a City electrician was not used or needed.

Following review and discussion, Director Krog moved to approve the bookkeeper's reports, 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 reports for November, copies of which are attached. She noted the District's 2017 taxes are 7.1% collected as of October 31, 2017. 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.

ADOPT RESOLUTION VOTING FOR DIRECTOR FOR BOARD OF DIRECTOR ELECTION FOR FORT BEND CENTRAL APPRAISAL DISTRICT

The Board reviewed the candidates for the Board of Directors election for the Fort Bend Central Appraisal District ("FBCAD"). Ms. Lutz stated the District has 4 votes for the election. She then presented and reviewed a Resolution Voting for Director for Board of Director Election for FBCAD ("Resolution"). After review and discussion, Director Krog moved to cast the District's 4 votes for Sam Mayson for Director of the FBCAD, approve the Resolution reflecting the same and direct that the Resolution be filed appropriately and retained in the District's official records. Director Draksharam seconded the motion, which passed unanimously.

TAX RATE ANALYSIS FOR POSSIBLE CAPITAL IMPROVEMENTS

Mr. Lentz presented and reviewed a tax rate analysis and discussed various bond scenarios. A copy of the analysis is attached. He stated a \$1,800,000 bond issue would increase the debt service tax rate from \$0.085 to \$0.095 and extend the District debt service payment until 2027. A \$2,500,000 bond issue would increase the District debt service rate to \$0.097 and extend the debt to 2029. A \$3,200,000 bond issue would increase the debt service tax rate to \$0.100 and extend the District debt service until 2028.

Discussion ensued regarding the District's storm water storage capacity during a localized rain event with the gates closed and if it is necessary to increase the capacity. The Board discussed the possibility of Fort Bend County requiring additional capacity or increasing levee height requirements. The Board concurred to consider reviewing various options and the impact of Hurricane Harvey prior to making any further decisions regarding District improvements.

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

Ms. Seals updated the Board regarding matters related to the installation of fiber optic cable and the encroachment on the District's property. She stated the City granted permission for the contractors to install the cabling in the City's public right-of-way, but it appears the contractors trespassed and installed cable in property without legal permission. Ms. Seals stated she and Mr. Kelly will continue to address the issue until it is resolved.

The Board discussed street flooding at Commonwealth Boulevard and Elkins Road during high water events and noted water tends to pond in that area making driving difficult. Director Anderson stated the ponding continues to Monarch Street past the fire station. Ms. Seals stated the City is performing a drainage study in specific locations throughout the City and this area has been identified to be included in the study.

Director Draksharam discussed evacuation routes during a flooding event and noted he would like the City to provide specific routes to the residents of the District.

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

There was no discussion regarding this item.

REPORT ON LEVEE MAINTENANCE

Ms. Wagner presented and reviewed the levee maintenance reports and updated the Board regarding levee maintenance for the District. A copy of the report is attached.

Director Anderson stated he noticed hog activity. In the area Mr. Perry stated the activity is not on the District's levee. He noted LMS will continue to monitor the issue.

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

ENGINEERING MATTERS

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

Mr. Kelly further updated the Board regarding the unauthorized installation of fiber optic cabling on District property. He presented and reviewed a map detailing existing power poles along Commonwealth Boulevard and the right-of-way lines, a copy of which is attached. He discussed the possible boring of the District's levee and noted LJA will require that the bore be four feet below the levee and water tight for the contractor to cross the District's levee with the fiber optic cabling. He stated LJA will inspect to ensure the bore and encasing is properly constructed. He stressed this would only occur after the contractor obtained the proper easement from the District.

Director Draksharam requested Mr. Kelly meet with the Fort Bend County Drainage District ("FBCDD") regarding the District's possible improvements and Fort Bend County's expectations and possible future requirements for levee districts.

Mr. Kelly discussed the Wallingford study commissioned by Fort Bend County Levee Improvement District No. 2 ("LID 2"). He stated the report was subjective and based on fictional scenarios. Mr. Kelly stated some of the data was not current and noted the Wallingford did not request information or data from any districts analyzed other than LID 2. After discussion, the Board directed Mr. Kelly to respond to LID 2 informing them of the deficiencies of the study and requested he copy Judge Herbert, the FBCDD and Commissioner Patterson, as well as all recipients of the original email.

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

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 reported on the following repairs and maintenance items: pump no. 4 was repaired and noted the temporary pumps will be removed; LMS will repair the fence at the pump station in the next month; the controller at pump no. 3 was replaced; the weather station is in need of repair and noted a proposal will be presented next month; and ant bait will be applied next month.

Director Anderson requested the levee access aprons be included in the City's plans. He also requested the engineer and operator coordinate with the City and update the District's Emergency Action Plan to include the closure of Dawnington Place in front of the pump station during emergency operations due to safety concerns.

Director Draksharam requested LMS begin stockpiling replacement pump equipment that can be utilized in emergency events. Mr. Perry stated he will present a proposal next month for this work and flood fighting equipment.

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 discussed a possible amendment to the District's Service Contract with LMS. He stated LMS can provide a dedicated representative during emergency events and throughout the month, which will increase the District's base rate from \$4,675 to \$8,250. He stated the new base fee will now include all repairs under \$200. Mr. Perry stated the Board will need to determine when they want to activate the dedicated representative during an emergency event and discussed possible options including when the Richmond gauge reaches 46 feet or when the pump station enters full operations. He stated the base fee will also cover managerial time. And he noted a manager may not always be present during emergency events, but the dedicated representative will be available. Discussion ensued and Director Draksharam stated he would like to review LMS' current insurance requirement and requested Mr. Perry present a proposal to increase LMS' insurance coverage with an additional \$1,000,000 umbrella District-specific insurance policy. After review and discussion, the Board authorized ABHR and LMS to coordinate regarding preparation of a contract amendment.

WEBSITE REVIEW AND COMMUNICATION NOTICES

Ms. Waugh reviewed the District's website and discussed text alerts. The Board requested quick links be added for the tax assessor/collector's website, FBCDD, Fort Bend County Office of Emergency Management, the City, FEMA and Harris County Flood Warning System.

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

There was no discussion regarding this item.

DISCUSS NEXT MEETING DATE

The Board discussed its regular meeting date and concurred to meet on December 11, 2017, at 3:00 p.m.

CONSULTANT REVIEW PROCESS

The Board concurred to table this item.

There being no further business, the meeting was adjourned.



Herbert P. Krug
Secretary, Board of Directors

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