

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS**

May 6, 2014

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2 §

The Board of Directors (the "Board") of First Colony Levee Improvement District No. 2 of Fort Bend County, Texas (the "District"), met in regular session, open to the public, at 12:00 p.m. on May 6, 2014 at the offices of Coats, Rose, Yale, Ryman & Lee, P.C., 3 East Greenway Plaza Suite 2000, Houston, Texas 77046, a designated meeting place outside the boundaries of the District; whereupon, the roll was called of the members of the Board of Directors, to-wit:

Ron Frerich	-	President
Christine M. Lukin	-	Vice President
Carl Mazzo	-	Secretary

All members of the Board of Directors were present, thus constituting a quorum.

Also present at the meeting were Kim Shelnett of Myrtle Cruz, Inc., the District's Bookkeeper; Patty Rodriguez, the District's tax assessor/collector ("TAC"); Jason Klump of Stormwater Solutions ("SWS"), the District's Operator; Joe Mattingly with Champions Hydro-Lawn, Inc. ("Champions"); Craig Kalkomey of Jones & Carter ("J&C"), the District's Engineer; John Cannon and Ryan Bledsaw of Coats, Rose, Yale, Ryman & Lee, P.C. ("Coats Rose"), legal counsel for the District.

Whereupon, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. A copy of the posted agenda notice is attached hereto as Exhibit "A".

HEAR FROM THE PUBLIC

No one was present from the public.

APPROVAL OF MINUTES

The Board considered approving the minutes of the Board meeting held April 1, 2014. After consideration and upon motion by Director Lukin, seconded by Director Mazzo, and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting held April 1, 2014, subject to a correction noted by Director Lukin.

APPROVING TAX COLLECTOR'S REPORT

The Board recognized Ms. Rodriguez, who reported that as of March 31, 2014, 98.888% of the 2013 tax levy has been collected. She also presented a current list of delinquent accounts to the Board for examination.

After discussion and upon motion by Director Lukin, seconded by Director Mazzo, the Board voted unanimously to approve the tax collector's report, a copy of which is attached hereto as Exhibit "B".

CHAMPIONS HYDRO-LAWN, INC. REPORT

The Board recognized Mr. Mattingly who presented and updated the Board on the status of the District's rights of way. A copy of the report is attached hereto as Exhibit "C".

Mr. Mattingly reported that: mowing was completed on April 28; the irrigation system currently has no power; a gate and additional barbed wire fence was installed the week of April 28; and clearing and desilting was done the week of April 28. Mr. Mattingly also reported the results of soil tests performed at various locations on the levee by Texas A&M AgriLife Extension Services.

Next, the Board discussed mowing the levee. Mr. Mattingly did not recommend mowing in May. The Board requested that Mr. Mattingly attempt to reschedule the District's regular mowing to the second week of each month.

After discussing damaged fences near CenterPoint's right of way, the Board instructed Mr. Klump to call CenterPoint to demand that damaged sections be repaired.

Mr. Mattingly presented a quote for pressure washing and graffiti removal, attached hereto as Exhibit "D". The Board instructed Mr. Mattingly to revise the scope to include additional pressure washing and present the revised quote next month.

No action was taken on this agenda item.

DISCUSS STATUS OF SUSTAINABLE GROWTH TEXAS. LLC CONTRACT ITEMS

No action was taken.

OPERATOR'S REPORT

The Board recognized Mr. Klump, who presented and reviewed the monthly management report, a copy of which is attached hereto as Exhibit "E".

During the month of April, the pumping station and related equipment were inspected on a daily basis to insure proper operation. All outfall structures have been inspected at least once a week. In addition, all drainage ditches, back slope drains, drainage swales, levees and easement have been inspected at least twice during the month. A constant weather watch has been maintained on a local and regional basis, as well as the Brazos River stages at Richmond.

At the pump station, SWS is continuing to test genset and load bank for one hour weekly and is continuing debris removal and good housekeeping measures. SWS has included a new weekly log sheet on-site. Mr. Klump reported on the successful installation of the District's Aqua Fence and testing of the storm water pumps, which were tested for four hours under load. The Board noted that they anticipate testing pumps on an annual basis going forward and instructed Mr. Klump to provide a cost summary for testing.

Mr. Klump also reported that Aspen Utility Services removed its cable line without incident.

No action was taken on this agenda item.

ENGINEER'S REPORT

The Board recognized Mr. Kalkomey who presented the engineer's report, attached hereto as Exhibit "F".

Review proposed Capital Improvements Budget

Mr. Kalkomey reported that J&C has developed a preliminary capital improvements plan ("CIP") for the years 2014-2020. J&C updated the plan to include current projects for 2014 and proposed projects for 2015. J&C will continue to work with the Board on adding, removing, and updating projects. In addition to the CIP, Mr. Kalkomey presented more detailed information on the following:

- Quotes for the following are attached to the engineer's report:
 - Kubota RTV-X900 General Purpose for \$11,960.92
 - John Deere XUV 855D for \$13,140.00
 - Kubota RTV-X900 Worksite for \$13,358.17
 - Polaris Ranger Diesel for \$14,673.79

- At the October 1, 2014 meeting, the Board authorized the installation of security cameras at the pump station. The quote has not changed; however, due to the extended construction schedule for the buildings, Mr. Kalkomey presented the original plan for the District's review and approval.

After discussion, the Board (i) instructed Mr. Kalkomey to provide an updated Kubota quote with added features; and (ii) ratified its previous authorization of the security camera installation quote from SecureCheck, LLC.

De-Silting of Commonwealth Boulevard

Based on April's Board meeting, J&C proposed a schedule and engineering budget for the de-silting project, included in the engineer's report. No action was taken on the de-silting project.

Maintenance Building

CZS Developers is continuing to work on the storage building and well house. CZS has updated their schedule, which includes completing both buildings by May 26. CZS submitted the following documents for the District's review and consideration:

- Progress Payment No. 3 - \$34,605.00.
- Change Order No. 1 – Due to what CZS feels were unforeseen issues and existing facility conditions, CZS has submitted a change order to address the following (detailed in the engineer's report):
 - Existing Waterline / Electrical Line Relocation at Well House
 - Transformer / Control Panel Modifications
 - Spare Conduit for Future Data Cable
 - Existing "A" Inlet
 - Well House Foundation Modifications

After discussion and upon a motion by Director Frerich, seconded by Director Lukin, the Board voted unanimously to authorize payment of (i) Progress Payment No. 3 in the amount of \$34,605.00, and (ii) all items included in Change Order No. 1 except for the existing waterline/electrical line relocation and the well house foundation modifications. The Board instructed Mr. Kalkomey to obtain further information on those items, and stated that the soils engineer should be back-charged for the well house foundation modifications.

MS4 Permitting

J&C has been in contact with TCEQ on the District's MS4 waiver. The review team has completed their review of the District's request and is recommending approval. The waiver is currently with the Team Leader of the Storm Water Division awaiting final review and approval. Based on J&C's conversations with TCEQ, the review team does not foresee any issues with final approval.

Additional Items

CenterPoint Easement

J&C is continuing to work with CenterPoint on the relocation of the original easement to match the existing CenterPoint alignment. CenterPoint is currently reviewing the existing documentation and facility.

Emergency Communications

On April 16, J&C met with Patrick Hughes with the City of Sugar Land (the "City") to discuss radio communications with the City and the Fort Bend County Office of Emergency Management. At the recommendation of the City, J&C has been in contact with Mike Stone Associates on the process required to obtain approval to purchase emergency radios and program them as necessary to communicate with the City and County. The first step is for the District to enter into an Interlocal Agreement ("ILA") with the County which would allow the District to purchase compatible radios. Once the radios are purchased, the City and County will program

them. Currently, J&C is awaiting a draft ILA from the County Attorney's Office, and will forward it to Coats Rose or review when received.

Levee Signs

J&C did not have the missing sign replaced during the month of April, but will have it replaced before the June meeting.

GIS Services

J&C is finalizing the conceptual GIS website for the District and anticipates presenting the system at the June meeting. As mentioned, J&C's Dallas Office Manager, Bryan Kennedy, was in the District on May 1 taking pictures and low-level aerial photography. In addition to Bryan managing J&C's Dallas office, he leads J&C's GIS efforts. The main focus was getting photographs around the pump station, test plot area, and outfall channel with a high-definition camera that can be incorporated into the GIS system.

After discussion and upon motion by Director Frerich, duly seconded by Director Lukin, the Board voted unanimously to approve the engineer's report.

BOOKKEEPER'S REPORT

The Board then recognized Ms. Shelnett of Myrtle Cruz, Inc., who presented for the Board's review and approval the bookkeeper's report. She reported on the status of the District's various accounts and reviewed the Operating Account checks prepared for the Board's review and approval. A copy of the bookkeeper's report is attached hereto as Exhibit "F". Ms. Shelnett also presented a letter, attached hereto as Exhibit "G", stating that there are no unclaimed funds to report to the State of Texas for the period from July 1, 2012 through March 31, 2013.

Upon motion by Director Lukin, duly seconded by Director Mazzo, after full discussion and the question being put to the Board, the Board voted unanimously to approve the bookkeeper's report and the checks presented for approval.

HEAR ATTORNEY'S REPORT

Discuss Interlocal Agreement with City of Sugar Land regarding MS4 permit

After discussion, Director Mazzo made a motion to approve the Interlocal Agreement and return an executed copy to the City of Sugar Land. Director Lukin seconded the motion, which was approved unanimously.

Discuss Park and Recreational improvements plan

No action was taken on this matter.

Discuss "ring levee" issues and take any necessary actions

No action was taken on this matter.

Discuss FBFMA issues and take any necessary actions

No action was taken on this matter.

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

PASSED, APPROVED and ADOPTED this 3rd day of June, 2014.


Secretary, Board of Directors

