

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

**September 2, 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 September 2, 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 Tara Klein of Four and One, LLC; Kim Shelnett of Myrtle Cruz, Inc., the District's Bookkeeper; Patty Rodriguez and Debbie Arellano of Bob Leared Interests, the District's tax assessor/collector ("TAC"); Joe Mattingly of Champions Hydro-Lawn ("Champions"); Jason Klump of Stormwater Solutions ("SWS"), the District's Operator; 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 August 5, 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 August 5, 2014.

## **CONDUCT HEARING REGARDING 2013 TAX RATE**

At this time the President opened the meeting to a public hearing on the proposed 2014 tax rate for the District. Mr. Cannon reminded the Board that at the District's meeting on August 5, 2014, the Board discussed the District's tax rate for 2014. At such meeting the Board established its intent to levy a tax in the amount of \$0.25 per \$100 valuation, consisting of \$0.00 for debt service and \$0.25 for maintenance and operations purposes. The Board, noting that there were no members of the public present who wished to comment on the 2014 tax rate, closed the public hearing and resumed the regular meeting. A copy of the published notice is attached hereto as Exhibit "B".

## **ORDER SETTING TAX RATE FOR 2014**

Consideration was then given to the adoption of an Order Setting 2014 Tax Rate. Upon a motion made by Director Mazzo, seconded by Director Lukin after full discussion and the question being put to the Board, the Board voted unanimously to set and levy a 2014 tax rate of \$0.25 per \$100 of assessed valuation consisting of a debt service tax rate of \$0.00 and a maintenance and operations tax rate of \$0.25 and to adopt the Order Setting 2014 Tax Rate evidencing the same, a copy of which is attached hereto as Exhibit "C".

## **AMENDED NOTICE TO SELLERS AND PURCHASERS**

Consideration was then given to a proposed Amended Notice to Sellers and Purchasers. The Board recognized Mr. Cannon who reminded the Board that the Notice to Sellers and Purchasers must be revised to reflect the 2014 tax rate. Upon a motion made by Director Mazzo, seconded by Director Lukin, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Amended Notice to Sellers and Purchasers.

## **APPROVING TAX COLLECTOR'S REPORT**

The Board recognized Ms. Rodriguez, who reported that as of August 31, 2014, 99.605% 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 "D".

## **CHAMPIONS HYDRO-LAWN, INC. REPORT**

The Board recognized Mr. Mattingly who presented Champions' report, a copy of which is attached as Exhibit "E" to these minutes.

Mr. Cannon discussed a letter he received from a homeowner regarding infrequent mowing of the levee and another homeowner letter regarding filling of detention areas with water. Directors commented that the grass is too high in many places on the levee. At the Board's request, Mr. Mattingly stated that he would attempt to schedule mowing for next week.

He stated that Champions will attempt to mow at three week intervals until further notice due to the heavy rainfall being experienced.

Director Mazzo noted that there are several items that need to be removed from the levee including a dead tree on the Maranatha side of the levee, a large dead branch on a pecan tree, and debris on the levee near the Avalon subdivision.

### **CONSIDER APPROVING PROPOSALS FROM FOUR AND ONE, LLC**

Ms. Klein presented and outlined a proposal for landscape architectural services on Commonwealth Boulevard (Tract 14) for the Board's review, a copy of which is attached as Exhibit "F" to these minutes. The Board discussed possible supplementary funding for District projects and discussion of possibilities for disposal of excess dirt. 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 "G".

During the month of August, 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 per week and is continuing debris removal and good housekeeping measures. Quarterly maintenance on the generator and load bank was completed on July 24.

At the storage building site, the irrigation system was completed and mulch was added to flower beds to cover exposed drip irrigation lines. The transition over the entry gate was graded. The contractor continues to work on punch list items. The pine trees near the driveway were removed. SWS also removed the willow trees in the pond near the box culverts at Avondale.

As discussed last month, Fort Bend County Drainage District ("FBCDD") completed the field portion of a USACE style inspection of the District's portion of the ring levee system, pump station, and drainage system and found two items rated unacceptable. To address those items, (i) megger testing of the wiring for the pumps was completed successfully by Neil Technical Services for \$261.25 and (ii) the gaps near the energy dissipaters in the forebay and the crack at the Briarwood culvert were cleaned and sealed by SWS for \$715.00. Since the issues were corrected before August 11, they were not classified as unacceptable in the report.

Two of the City of Sugar Land's interceptor pipes were also questioned during the FBCDD inspection. SWS has uncovered one pipe, which was buried during the City's construction of University Boulevard, and can flush out pipe for \$3,520 and can also remove and replace the broken backslope interceptor paving on the opposite side of the ditch for \$10,868. The Board instructed Mr. Kalkomey to coordinate with the City to request that they correct the issue.

Mr. Klump reported that two residents are continuing to cut the grass on the levee near their access gates. In particular, the resident at 5023 Berkshire Court has disregarded multiple requests from the Board and SWS to stop mowing the District's levee property. SWS has left business cards and flyers explaining the consequences and reason for not mowing. Mr. Klump requested involvement from the District's attorneys. After discussion, the Board decided to impose a fine of \$500.00 on the homeowner at 5023 Berkshire Court, in accordance with the levee rules previously adopted. The Board instructed the attorneys to send a letter to the homeowner explaining the fine and also instructed SWS to have a fence erected on District property behind the access gate at 5023 Berkshire Court to prevent further access from that property onto the levee. The Board requested that SWS make contact with the homeowner at 5226 Avondale and issue a warning against mowing since it was their first offense.

After discussion and upon a motion by Director Mazzo, seconded by Director Lukin, the Board voted unanimously to approve the engineer's report and to authorize the action items discussed.

## **ENGINEER'S REPORT**

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

### **Review proposed Capital Improvements Budget**

J&C presented two 5-Year capital improvements plans ("CIP") for the Board's review, attached to the engineer's report as Attachment A and Attachment B. J&C has coordinated with Four and One, LLC to include costs for the proposed drainage facility improvements.

- Attachment A – This plan includes all the projects discussed to date including the proposed drainage facility improvements. This plan was based on the District's initial idea of starting with Commonwealth Boulevard.
- Attachment B – This plan includes the same costs as Attachment A. This plan was based on constructing the drainage facility improvement projects from lowest cost to highest cost in order to create a surplus over a period of time that can be used to pay for projects with higher costs.

### **Fort Bend County Levee Inspection Program**

On August 14, FBCDD submitted copies of their draft inspection report to the District. Overall the FBCDD was satisfied with the progress the District has made and wanted to commend the Board on their efforts to ensure the levee system remains in excellent shape. Based on the report, the levee system had no items considered "unacceptable." FBCDD did note a few "minimally acceptable" items and potential corrective actions, as described in the engineer's report. FBCDD will re-inspect these items in approximately six months.

### **Maintenance Building**

On August 12, CZS Developers, SWS, MCCM, KGA, and J&C performed an inspection

of the storage building and well house. The inspection noted several items that need to be addressed by CZS. According to CZS, they have completed all punch list items except for the following, each to be completed by September 4, 2014:

- Planting of 3 White Natchez Crape Myrtle trees.
- Verifying the irrigation system programming.

Windstream should be on-site September 10, 2014 to install the cable services required for the security cameras. Once installation is complete, J&C will schedule SecureCheck to install the cameras.

Mr. Kalkomey recommended payment of Pay Estimate No. 5 to CZS.

#### **MS4 Permitting**

The District's waiver request is still awaiting review and approval from the TCEQ Team Leader. J&C will continue to work with the TCEQ as needed.

#### **Additional Items**

##### **CenterPoint Easement**

J&C is awaiting the easement documents from CenterPoint and will forward it to the District for review and approval when received.

After discussion and upon motion by Director Lukin, duly seconded by Director Frerich, the Board voted unanimously to approve the engineer's report and Pay Estimate No. 5 to CZS

#### **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 "I".

Upon motion by Director Mazzo, duly seconded by Director Frerich, 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.

#### **Consider adopting budget**

Ms. Shelnett then presented a proposed budget for the fiscal year ending September 30, 2015, a copy of which is attached hereto as Exhibit "J". After discussion, upon a motion by Director Lukin, seconded by Director Mazzo, the Board voted unanimously to adopt the budget with several modifications to be implemented by the bookkeeper.

#### **HEAR ATTORNEY'S REPORT**

**Discuss “ring levee” issues and take any necessary actions**

No action was taken on this matter.

**Discuss FBFMA issues and take any necessary actions**

The Board discussed a request from FBFMA to increase funding available for lobbying activities and requested that the District’s attorneys obtain more information from FBFMA before making a decision.

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

PASSED, APPROVED and ADOPTED this 7th day of October, 2014.

  
Secretary, Board of Directors

(DISTRICT SEAL)