

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

February 3, 2015

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 special session, open to the public, at 12:00 p.m. on February 3, 2015 at the offices of Coats, Rose, Yale, Ryman & Lee, P.C., 9 Greenway Plaza, Suite 1100, 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, a landscape architect; Karrie Kay of Myrtle Cruz, Inc. ("MCI"), the District's Bookkeeper; Bob Leared of Bob Leared Interests, the District's tax assessor/collector ("TAC"); Joe Mattingly of Champions Hydro-Lawn, Inc. ("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, attorneys 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 January 12, 2015. Director Lukin suggested several revisions to the minutes. 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 January 12, 2015, as amended.

TAX COLLECTOR'S REPORT

The Board recognized Mr. Leared, who reported that 94.464% of the 2014 tax levy has been collected as of January 31, 2015. He also presented a current list of delinquent accounts to the Board for examination.

Director Frerich requested that Mr. Leared attempt to locate a credit card processing company with a lower processing fee.

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".

Adopt Resolution Concerning Tax Exemptions for 2015

The Board next discussed granting tax exemptions for the 2014 tax year. After discussion, the Board elected not to grant any tax exemptions for the 2014 tax year.

Adopt Resolution Implementing 20% Penalty on 2014 Delinquent Taxes

The Board next considered establishing a 20% penalty for delinquent tax collection for the 2014 tax accounts that become delinquent and subject to collection as of July 1, 2015 and authorizing Coats Rose to represent the District in collection of the 2014 delinquent taxes.

Following discussion, and upon a motion by Director Frerich, seconded by Director Lukin, the Board voted unanimously to adopt (i) a Resolution Concerning Tax Exemptions for 2015 and (ii) a Resolution Implementing 20% Penalty on 2014 Delinquent Taxes and Contracting with Attorneys to Collect Delinquent Taxes.

CHAMPIONS HYDRO-LAWN REPORT

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

Mr. Mattingly stated that there has been no mowing of the levee recently and that grass on the top, slopes, and bottom of the levee appears to be in good condition. He then recommended overseeding, ant treatment, and mowing in March.

Mr. Mattingly also included with his report proposals for (i) trimming and mulching cypress trees around the northwest detention pond at a cost of \$3,500, and (ii) removal of graffiti at the pump station on Avondale at a cost of \$7,000.

After discussion and upon motion by Director Frerich, seconded by Director Lukin, the Board voted unanimously to approve (i) overseeding, ant treatment, and mowing as recommended, (ii) the proposal for trimming and mulching cypress trees, and (iii) Champions' report as presented. The Board requested that Mr. Mattingly present a quote for painting over the graffiti at the pump station.

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 "D".

During the month of January 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. On January 23, 2015, the National Weather Service forecast the Brazos River to reach 31.9 feet at the Richmond gauge on January 26th ("flood stage" is 48 feet). Actual river crest was 24.69 feet on January 26th and the Brazos River is now back to normal levels.

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 throughout the pump station and storage building. Quarterly maintenance on the generator was completed on January 19, 2015, at which time it a tech noticed the heater block was not operating properly due to a wiring issue. The wiring was repaired immediately at no cost to the District. The next scheduled maintenance will take place in April.

The Board reviewed surveillance warning and no trespassing signs and gave comments to Mr. Klump. The Board authorized the purchase of two surveillance warning signs for the pump station and gate, and requested that the no trespassing signs of approximately 48" x 24" in size be installed at each gate to the levee. Mr. Klump noted that he would obtain a new quote incorporating the Board's revisions, including decreased width of the sign and a total of seven signs.

The Board also noted comments on SWS's inspection report. Mr. Klump stated that he would revise the report and provide corrected copies to the Board.

After discussion and upon motion by Director Frerich, duly seconded by Director Mazzo, the Board voted unanimously to approve the operator's report and the purchase of two surveillance warning signs as discussed.

ENGINEER'S REPORT

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

Review proposed Capital Improvements Budget

No changes have been made to the District's capital improvements plan ("CIP") budget since the December Board meeting. J&C will update the CIP budget as projects are authorized.

Maintenance Building

To date, CZS has completed all improvements on the District's storage building and well

house; therefore, J&C is presenting the following for the Board's review and approval of: (i) Progress Payment Request No. 7 (Final) in the amount of \$14,072.90 (details provided in engineer's report) and (ii) Certificate of Acceptance for the project.

Mr. Kalkomey also noted the following in connection with the storage building and well house:

- a. Greg Bynum was able to complete the necessary repairs to the irrigation system.
- b. The City of Sugar Land ("City") is still working on programming the District's radios due to a delay in the registration information from Harris County and staff availability issues. J&C expects an update from the City this week, and J&C hopes that programming is completed before the District's March meeting.
- c. J&C has discussed the additional camera installation with SecureCheck. Below is a summary of the quote:
 - i. Option 1 – pan-enabled camera
 1. Camera installation: \$3,631.61
 2. Trenching by SWS: \$1,200.00 (estimated)
 - ii. Option 2 – same camera as existing
 1. Camera installation: \$3,013.16
 2. Trenching by SWS: \$1,200.00 (estimated)

After discussion, the Board requested that J&C proceed with Option 2, but determined a different contractor should be selected to handle the trenching work because SWS's equipment is not an appropriate size for the project. Upon a motion by Director Lukin, seconded by Director Mazzo, the Board voted unanimously to approve Progress Payment Request No. 7 (Final) and the Certificate of Acceptance.

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 – University Drive

On January 29, 2015, the City replaced the interceptor structure at University Drive.

Additional Items – Pump Test and Fort Bend County Inspection

Based on discussion at the Board's January meeting, J&C is recommending holding the District's annual pump test on March 6 or March 20, 2015. Fort Bend County Drainage District ("FBCDD") has agreed to hold the county inspection on the same day. To date, all items noted by FBCDD have been resolved; however, J&C recommends that SWS and J&C hold a pre-inspection walkthrough the week of February 16, 2015.

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

BOOKKEEPER'S REPORT

The Board then recognized Ms. Shelnutt 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".

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.

ATTORNEY'S REPORT

Discuss any landscape projects and act thereon

The Board recognized Ms. Klein, who presented a proposal for providing landscape architectural services and related construction items along Commonwealth Boulevard, a copy of which is attached hereto as Exhibit "G". Director Frerich noted that he would investigate structural engineers that might be able to provide certain work included in the proposal. After discussion and upon a motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to accept the proposal for landscape architectural services, subject to review and approval by the District's attorneys.

Discuss status of efforts to acquire land from HOA

Next, Mr. Cannon updated the Board on the status of efforts to acquire land from the The Commonwealth Civic Association. No action was taken.

Discuss "ring levee" issues and take any necessary actions

The Board discussed "ring levee" issues, but no action was taken.

Discuss FBFMA issues and take any necessary actions

Director Frerich reported that, in his opinion, FBFMA's officers have not been transparent with other members of FBFMA and that he does not believe he has received adequate answers regarding the purposes of a recent special assessment and dues increase. After discussion by members of the Board, Director Mazzo made a motion that the District withdraw its membership in FBFMA effective immediately. Director Lukin seconded the motion, which was approved by unanimous vote of the Board.

The Board then instructed Coats Rose to send letters to FBFMA's officers, the county commissioner, and the county judge to explain the Board's reasons for ending its membership. The Board further instructed the District's bookkeeper not to pay any invoices from FBFMA.

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

PASSED, APPROVED and ADOPTED this 3rd day of March, 2015.



Christina M. Lukin
Secretary, Board of Directors