

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

March 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 March 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 except Director Mazzo, thus constituting a quorum.

Also present at the meeting were Karrie Kay of Myrtle Cruz, Inc. ("MCI"), the District's Bookkeeper; Debbie Arellano 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 February 3, 2015. After consideration and upon a motion by Director Lukin, seconded by Director Frerich, the question was put to the Board, and the Board voted unanimously to approve the minutes of the meeting held February 3, 2015, as amended. No action was taken regarding proposed minutes of a meeting held January 16, 2015 with a consultant, as only one director had attended.

TAX COLLECTOR'S REPORT

The Board recognized Ms. Arellano, who reported that 95.798% of the 2014 tax levy has been collected as of February 28, 2015. She also presented a current list of delinquent accounts to the Board for examination.

The Board next considered two letters from taxpayers. First, there was a request from a homeowner who reported that his tax bill arrived late (on January 30) and that they paid the bill postmarked January 31. Ms. Arellano confirmed that no penalties and interest were applied because it was postmarked timely and no action was taken by the Board. Second, there was a request from a homeowner who asked for a waiver of penalties and interest applied to 2014 and prior years' tax bills because their mail was not being forwarded. After consideration, the Board denied the request on the basis that the taxpayer has been living at the address for which the taxes were owed and should have received letters from the TAC or the delinquent tax attorney.

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

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. Frerich noted that the board had received a letter from The Commonwealth Civic Association (the "HOA"), which is attached as Exhibit "D" to these minutes, requesting that handwork be done more frequently. The Board instructed Champions to perform handwork along the residential fence line monthly even if the levee is not mowed.

Mr. Mattingly stated that Champions would provide mowing and overseeding work in March as soon as the weather allows.

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 February 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, and river reports are attached to the operator's report.

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. The next scheduled quarterly generator maintenance will take place in April.

Mr. Klump reported that a home on Rainfort Court is releasing its drainage onto the slope of an adjacent detention pond instead of to the street as required. Mr. Klump noted that this drainage is causing damage to the slope and the pond's bagwalls. The Board discussed options for correcting the issue. Upon a motion by Director Lukin, seconded by Director Frerich, the Board unanimously authorized Coats Rose to send a letter to the homeowner stating that the Board would be willing to allow construction of an underground drain pipe draining into the pond at the homeowners' cost, subject to certain requirements.

The Board next considered a revised quote for seven no trespassing signs. He noted the cost is approximately \$93 per sign, compared with approximately \$110 per sign in the previous quote.

After discussion and upon motion by Director Lukin, duly seconded by Director Frerich, the Board voted unanimously to approve (i) the operator's report and (ii) the purchase of seven no trespassing signs, as discussed.

ENGINEER'S REPORT

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

Review proposed Capital Improvements Budget

Based on Four and One's proposal presented at the February 3 Board meeting, J&C has updated the District's capital improvements plan ("CIP") budget. Mr. Kalkomey noted that years 2016-2020 are not complete since future landscape projects have not yet been designated for construction.

Maintenance Building

The contract is complete and the District is now in the one-year maintenance period.

Emergency Radios

The City of Sugar Land ("City") is working with Motorola and Harris County to complete programming of the radios. Due to a misunderstanding between the City and Harris County, the programming was delayed. Based on J&C's discussion with Motorola and Harris County, J&C believes the issue has been resolved and the programming is underway. J&C has not yet been able to get an update from the City on the schedule for completing work.

Additional Camera at Outfall

J&C is attempting to get an additional quote for trenching through the levee right of way for the line to connect the additional camera and will have an updated quote at the Board's April meeting.

Water Well and Fort Bend County Subsidence District (“FBCSD”)

J&C has been informed of possible policy changes relating to existing water wells under FBCSD’s jurisdiction. When the District’s well was originally constructed, FBCSD only required the well to be registered due to the size of the well. The proposed changes would require the District to officially permit the well and provide monthly or annual reports on the volume of water pumped. There are currently no restrictions planned for existing wells. J&C will continue to monitor the proposed changes and update the District as necessary.

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. Additionally, the District has received a request from the City to provide the District’s Year One Annual Report. Even though TCEQ has not acted on the District’s waiver request, the District has automatically been granted a provisional waiver during the review process, as detailed in the engineer’s report.

Additional Items – FBFMA / NFIP

Attached as Exhibit “G” to these minutes is a summary of potential changes to the NFIP that was developed by FBFMA.

Additional Items – Fort Bend County Table Top Exercise

The county-wide table top exercise is schedule for the morning of March 31 at the Gus George Law Enforcement Academy in Richmond, Texas.

Additional Items – Pump Test and Fort Bend County Inspection

The District’s annual pump test and Fort Bend County inspection is set for April 3, 2015. Director Frerich instructed Mr. Kalkomey to send a letter to Mark Vogler informing him that the District has completed all items noted in the previous inspection report.

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

BOOKKEEPER’S REPORT

The Board then recognized Ms. Kay 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 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.

ATTORNEY'S REPORT

Discuss any landscape projects and act thereon

No action was taken.

Discuss status of efforts to acquire land from HOA

Mr. Cannon reported that he had not received a response to the Board's request to acquire property from the HOA. The Board instructed Coats Rose to send a letter to the HOA informing them that the District would begin performing handwork on the fence line monthly going forward and inquiring about the status of the District's request to obtain land from the HOA.

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

The Board discussed FBFMA issues, but no action was taken.

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

PASSED, APPROVED and ADOPTED this 7th day of April, 2015.


Secretary, Board of Directors

