

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

**October 6, 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 regular session, open to the public, at 12:00 p.m. on October 6, 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 of the members of the Board of Directors was called:

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 ("4&1"); Debbie Arellano of Bob Leared Interests, the District's tax assessor/collector ("TAC"); Joe Mattingly of Champions Hydro-Lawn, Inc. ("Champions"); Jason Klump of Storm Water Solutions, LP ("SWS"), the District's Operator; Craig Kalkomey of Jones & Carter ("J&C"), the District's Engineer; Karrie Kay of Myrtle Cruz, Inc. ("MCI"), the District's Bookkeeper; John Cannon and Greer Kuras 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 from the public was present.

**ATTORNEY'S REPORT**

**Discuss status of efforts to acquire land from HOA**

The Board recognized Mr. Cannon, who discussed the status of efforts to acquire certain land from the HOA. The Board directed counsel to correspond further with the HOA's attorney toward negotiating a mutually acceptable lease for a nominal rate.

### **Discuss any landscape projects and act thereon**

The Board discussed current mowing rules and practices. The Board discussed the most recent letter received from Ms. Whittle and directed counsel to respond to the letter.

The Board discussed replacing the recently removed HOA tree with a “starter tree.” The Board instructed Ms. Klein to prepare cost estimates. The Board further instructed counsel to respond to the resident’s recent email. After consideration and upon a motion by Director Frerich, seconded by Director Lukin, the Board voted unanimously to approve planting a “starter” Ash or Elm for under \$1,000.00.

The Board also discussed the status of the search for Director Mazzo’s successor on the Board. The Board directed counsel to correspond with the Commissioner regarding all applications received to date.

### **APPROVAL OF MINUTES**

The Board considered approving the minutes of the Board meeting held September 1, 2015. Director Lukin pointed out some corrections, which were made. After consideration and upon a motion by Director Lukin, seconded by Director Mazzo, the question was put to the Board, and the Board voted unanimously to approve the minutes of the meeting held September 1, 2015, with corrections.

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

Mr. Cannon opened the meeting to a public hearing on the proposed 2015 tax rate for the District. Mr. Cannon reminded the Board that at the District’s meeting on September 1, 2015, the Board discussed the District’s tax rate for 2015. 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 2015 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 2015 Tax Rate. Upon a motion made by Director Mazzo, seconded by Director Frerich, and after full discussion and the question being put to the Board, the Board voted unanimously to set and levy a 2015 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 2015 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. Mr. Cannon reminded the Board that the Notice to Sellers and Purchasers must be

revised to reflect the 2015 tax rate. Upon a motion made by Director Mazzo, seconded by Director Frerich, after full discussion and the question being put to the Board, the Board voted unanimously to approve the Amended Notice to Sellers and Purchasers, attached hereto as Exhibit "D".

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

The Board recognized Ms. Arellano, who reported that 99.568% of the 2015 tax levy has been collected as of September 30, 2015. 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 Frerich, the Board voted unanimously to authorize payments from the tax account and to approve the tax collector's report, a copy of which is attached hereto as Exhibit "E".

### **CHAMPIONS HYDRO-LAWN REPORT**

The Board recognized Mr. Mattingly who presented Champions' report, a copy of which is attached hereto as Exhibit "F". Mr. Mattingly reported upon current mowing practices, levee repair, landscaping, tree removal, fire ants, and weed control.

After discussion, the Board authorized Champions to remove dead cypress trees and to mow the levee prior to the "levee tour" as recommended.

### **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 past month the pumping station and related equipment were inspected on a daily basis to insure proper operation. All outfall structures have been inspected at least weekly. In addition, all drainage ditches, back slope drains, drainage swales, levees and easements have been inspected weekly. 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.

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. Weekly log sheets are maintained. Quarterly generator maintenance and load bank testing was completed on July 31, 2015. The next quarterly maintenance will take place in October. SWS tested the District's radios twice on in connection with Fort Bend County's weekly radio checks, and the radios are functioning correctly.

After discussion and upon motion by Director Mazzo, seconded by Director Frerich, the Board voted unanimously to approve proposed repair and maintenance items.

## ENGINEER'S REPORT

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

### Review proposed Capital Improvements Plan ("CIP") Budget

There are no current changes to the District's CIP. A draft of FY2016 CIP will be presented at the November meeting.

### MS4 Permitting

The District's waiver request is still awaiting review and approval from the TCEQ Team Leader of the Storm Water Division.

### Consider approval of report, pay estimates and change orders for projects

After discussion and upon motion by Director Mazzo, seconded by Director Frerich, the Board voted unanimously to approve the Engineer's Report and to pay estimates and change orders for projects.

## 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 "I".

After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to approve the Bookkeeper's Report and to authorize payment of the bills of the District.

## DISCUSS ANY LANDSCAPE PROJECTS AND ACT THEREON

The Board recognized Ms. Klein, who discussed the status of landscaping projects. She reviewed the pre-bid process and stated she is working on approvals.

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



  
Secretary, Board of Directors