

MINUTES
FIRST COLONY LEVEE IMPROVEMENT DISTRICT
OF FORT BEND COUNTY, TEXAS

February 12, 2018

The Board of Directors (the "Board") of First Colony Levee Improvement District of Fort Bend County, Texas (the "District"), convened in regular session, open to the public, on the 12th day of January, 2018, outside the boundaries of the District, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas, 77027, and the roll was called of the members of the Board:

Scott Jacobson	President
Richard E. Sherrill	Vice President/Assistant Secretary
Debra Coffman	Secretary

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Robin Goin of Bob Leared Interests, Inc.; Carol Rochetti of Municipal Accounts & Consulting, L.P.; David Beyer and Mike Thelen of LID Solutions, LLC ("LID Solutions"); Chad Hablinski and Greg Frank of Costello, Inc. ("Costello"); and Angela Lutz, Hope Jeffers, and Jane Miller of Allen Boone Humphries Robinson LLP ("ABHR").

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 19 PROPOSAL FOR
CONSTRUCTION OF LOST CREEK PUMP STATION

Mr. Hablinski made presentation to the Board regarding a project proposal for construction of a regional pump station (the "Lost Creek Pump Station") to serve the District, Fort Bend County Levee Improvement District Nos. 15, 19, 2, and Fort Bend County Municipal Utility District No. 115. He stated the proposed Lost Creek Pump Station would be located in the Riverstone subdivision within the boundaries of LID 19 and sized to pump 400,000 gallons per minute, which equates to removing 10 inches of rainfall per 24 hours. He then presented and reviewed a project cost estimate and design plan, a copy of which is attached, with a total proposed cost of \$14,531,946, of which the District's share is 22.7%, which totals \$3,299,474.78. Mr. Hablinski then responded to various inquiries from the Board. He stated LID 15 and LID 19 would most likely operate the Lost Creek Pump Station with all participants cost-sharing in the operational and maintenance costs. Discussion ensued and the Board inquired how the proposed project relates to the ongoing planning for the closure of the Flat Bank Creek diversion channel (also known as the Fort Bend County Municipal Utility District No. 46 ("MUD 46") levee facilities along State Highway 6). Mr. Frank stated the two projects do not overlap. Discussion ensued, and the Board expressed concerns that the

two projects are not designed to work in tangent with each other. The Board took no action regarding this matter.

MINUTES

The Board considered approving the minutes of the December 19, 2017, regular meeting. Following review and discussion, Director Jacobson made a motion to approve the minutes of December 19, 2017, as presented. Director Coffman seconded the motion, which carried unanimously.

PUBLIC COMMENTS

Director Jacobson opened the meeting for public comments. There being no members of the public wishing to address the Board, Director Jacobson closed the public comments portion of the meeting.

INFORMATION KIT

Ms. Lutz stated the District's Information Kit was distributed to the Board and consultants for review in advance of the meeting, and all requested revisions have been made. She distributed a copy of the updated District's Information Kit. Following review and discussion, Director Jacobson made a motion to approve the updated District's Information Kit and direct that it be retained in the District's records. Director Coffman seconded the motion, which carried unanimously.

DISTRICT'S WEBSITE UPDATES, NOTICE, AND EMAIL ALERTS

The Board noted 77 residents have subscribed via the website to the email distribution list. They also noted an email was sent to everyone on the distribution list in January, and the next planned email blast will be in April.

FILING OF EDUCATION/TRAINING COMPLIANCE

Ms. Lutz distributed a list of educational training hours each director earned by attending events during 2017, which she stated has been filed with Fort Bend County.

HURRICANE HARVEY RELATED MATTERS AND APPLICATIONS FOR FINANCIAL ASSISTANCE

Mr. Thelen updated the Board regarding the District's application to the Federal Emergency Management Agency ("FEMA") for federal assistance for expenses incurred during and resulting from Hurricane Harvey. He requested the bookkeeper notify him when any FEMA funds are received.

MERGER OF FIRST SOUTHWEST COMPANY, LLC, INTO HILLTOP SECURITIES INC.

Ms. Lutz reported First Southwest Company, LLC, a Delaware limited liability company, has merged into Hilltop Securities Inc., a Delaware corporation ("Hilltop"). She stated the District should update its District Registration Form to reflect the District's financial advisor's new name. Following discussion, Director Jacobson made a motion to update the District Registration Form to reflect the financial advisor for the District is Hilltop and direct that it be filed with the Texas Commission on Environmental Quality and retained in the District's records. Director Coffman seconded the motion, which carried unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Rochetti distributed and reviewed the bookkeeper's report, including the list of checks presented for approval and a summary of investments. A copy of the bookkeeper's report, including the summary of investments, is attached. Director Jacobson requested the bookkeeper revise the annual budget to reflect the expenditure for the reserve fund as a January expense. Ms. Rochetti requested the Board approve the additional checks which are not reflected in the bookkeeper's report as follows: check no. 3897 payable to Director Sherrill in the amount of \$160.01 for expense reimbursement for attending the Fort Bend Flood Management meeting and check no. 3899 payable to Director Coffman in the amount of \$621.15 for reimbursement of expenses for attending Texas Water Day. Following review and discussion, Director Coffman made a motion to approve the bookkeeper's report and the summary of investments and to pay the District's bills. Director Jacobson seconded the motion, which carried unanimously.

ANNUAL DISCLOSURE STATEMENTS

Ms. Lutz stated the annual disclosure statements for the bookkeeper, Investment Officer, and Assistant Investment Officer of the District (Carol Rochetti, Mark Burton, and Ghia Lewis) must be filed annually with the Texas Ethics Commission. After discussion, Director Jacobson made a motion to authorize the disclosure statements be filed with the Texas Ethics Commission, subject to receipt and review by ABHR, and to direct that a copy be retained in the District's official records. Director Coffman seconded the motion, which carried unanimously.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Goin distributed and reviewed the tax assessor/collector's report for the months of December, 2017 and January, 2018, a copy of which is attached. Following review and discussion, Director Jacobson made a motion to approve the tax

assessor/collector's report and the delinquent tax report from Perdue. Director Sherrill seconded the motion, which carried unanimously.

RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board reviewed a Resolution Concerning Exemptions from Taxation. They discussed the optional exemptions, including a general residential homestead exemption, an exemption of travel trailers, and a homestead exemption for disabled persons or persons over 65 years of age. The Board noted that the District currently grants a \$25,000 homestead exemption for disabled persons or persons over 65 years of age last year. After review and discussion, Director Jacobson moved to adopt the Resolution Concerning Exemptions from Taxation (the "Resolution"), reflecting that the Board of Directors rejects a general residential homestead exemption, rejects any exemption of travel trailers from ad valorem taxation, and grants a \$25,000 homestead exemption for disabled persons or persons over 65 years of age, and directed that the Resolution be filed appropriately and retained in the District's official records. Director Coffman seconded the motion, which passed by unanimous vote.

MS4 STORM WATER MANAGEMENT PLAN

Mr. Beyer distributed and reviewed the Year 4 annual report for the District's MS4 Storm Water Management Plan (the "SWMP"), a copy of which is attached. He then distributed and reviewed Year 5 goals for the SWMP and a public education mailer regarding storm water, copies of which are attached. Following review and discussion, Director Jacobson made a motion to approve the Year 4 annual report for the SWMP and authorize submittal to the Texas Commission on Environmental Quality. Director Sherrill seconded the motion, which carried unanimously.

The Board directed Ms. Jeffers to post the public education mailer regarding storm water to the District's website.

ANNUAL WRITTEN REPORT FROM OPERATOR AND ENGINEER

Mr. Frank presented and reviewed an annual report on engineering and operating matters, a copy of which is attached, which summarizes projected or proposed capital improvement projects for 2018. He also presented and reviewed the regular report on engineering matters, a copy of which is attached.

Discussion ensued regarding the proposed project to increase storage capacity in the ditch "B" detention area for a projected cost of \$75,000, which is contingent upon Exxon abandoning its access easement across the tract. Ms. Lutz noted the Board can consider condemning the property.

The Board discussed and requested Mr. Frank prepare cost estimates for the following proposed projects: increasing the storage capacity of Lake A2 and the dry

detention pond, installing flap gates throughout the District, and increasing the volume at the outfall to Ditch "B". The Board also requested Mr. Frank prepare a cost analysis comparing the options of doing an independent closure at Oyster Creek or a joint closure at Flat Bank Creek diversion channel.

Mr. Frank reported on discussions with Fort Bend County regarding the new rainfall data which may impact the levee certification process and pump station requirements. Mr. Frank discussed matters related to pumping capacity for the District and surrounding levee Districts. Mr. Frank discussed manhole issues in the western portion of the District. The Board discussed maintenance issues at other Districts' portion of the shared levee system.

Following review and discussion, Director Jacobson made a motion to accept the annual report on engineering and operating matters, accept the regular report on engineering matters, and to authorize the engineer and ABHR to move forward with planning for the condemnation of property and design of the project to increase storage capacity in the ditch "B" detention area. Director Sherrill seconded the motion, which carried unanimously.

OPERATOR'S REPORT

Mr. Thelen presented and reviewed the operator's report regarding general mowing, maintenance, weather watch, and turf management, a copy of which is attached. He reviewed an invoice from Yellowstone Landscape in the amount of \$1,815.00 for removing trees and brush from homeowners' back fence lines along the east levee, a copy of which is included in the operator's report. He also reviewed an estimate from Yellowstone Landscape in the amount of \$935.00 for removing trees and clearing brush at the Ditch "B" detention pond, which is included in the operator's report.

Mr. Thelen reviewed the monthly shared perimeter levee report, which is included in the operator's report.

After review and discussion, Director Jacobson moved to approve the report on operations and turf management and to approve the invoice and estimate from Yellowstone Landscape. Director Sherrill seconded the motion, which passed unanimously.

EASEMENTS AND DEEDS

There was no discussion regarding easements and deeds.

ENGINEER'S REPORT

There was no further discussion regarding engineering matters.

FORT BEND FLOOD MANAGEMENT ASSOCIATION ("FBFMA") MEETINGS AND UPDATES AND NATIONAL FLOOD INSURANCE PROGRAM ("NFIP") LEGISLATION

Ms. Lutz discussed possible changes to the annual FBFMA dues and possible changes to the scope of discussions held at the FBFMA meetings to be more local and funding based.

EMERGENCY ACTION PLANNING

There was no discussion regarding this matter.

The Board discussed the next meeting date and concurred to meet next on April 16, 2018 at 9:00 a.m.

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

(SEAL)



Kly M. Goyman

Secretary, Board of Directors

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