

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 10

July 23, 2020

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 10 (the "District"), met in regular session by teleconference, with access by telephone available to the public, pursuant to Texas Government Code Section 551.125 and Governor Greg Abbott's emergency disaster declaration dated March 13, 2020, on the 23rd day of July, 2020, and the roll was called of the members of the Board being present by telephone:

Don Burns	President
Johnny J. Cantu	Vice President/ Assistant Secretary
Rodney Vannerson	Secretary

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

Also attending the teleconference were Kelly Aylesworth and John O'Donnell of WaterLogic; Aaron Gannaway of Lake Management Services; Kelley Jurecek of Tax Tech, Inc. ("Tax Tech"); Mary Ann Mihills of Municipal Accounts & Consulting, L.P. ("MAC"); Michael Murr of Park Rangers; Michael Rusk and Jacob Clarke of LJA Engineering, Inc. ("LJA"); Chip Sutton of Linebarger Goggan Blair & Sampson, LLP ("Linebarger"); Jeff Perry of Levee Management Services, LLC ("LMS"); Guillermo Salcedo of City of Sugar Land ("COSL"); Julie Peak of Masterson Advisors LLC ("Masterson"); Angie Lutz and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

Ms. Lutz reviewed certain recommended protocols for conducting the District's meeting via teleconference. She announced that the meeting was being recorded and that consultant reports presented at the meeting were posted online and available to the public in the form of an "agenda packet" prior to the start of the meeting at www.districtdirectory.org/agendapackets/fbclid10.

OPERATIONS AND SERVICE REQUIREMENTS RELATING TO COVID-19 EPIDEMIC

Ms. Lutz reported that no emergency actions have been taken since the last Board meeting.

PUBLIC COMMENTS

Director Burns offered any members of the public attending the meeting by telephone the opportunity to make public comment. There being no further members of the public wishing to address the Board, Director Burns moved to the next agenda item.

MINUTES

The Board considered approving the minutes of the June 25, 2020 regular, July 2, 2020 special and July 9, 2020 special meetings, which were provided in advance. Following review and discussion, Director Cantu moved to approve the minutes, as provided. Director Vannerson seconded the motion, which passed unanimously with all directors voting in favor of the motion.

PHASE II MS4 STORM WATER MANAGEMENT PERMIT PLAN MATTERS

There was no discussion on this matter.

CITY OF SUGAR LAND ("COSL") MATTERS

Mr. Salcedo updated the Board regarding COSL matters and discussed a meeting held with the Board of Directors and the RiverPark Property Owners Association. He stated the City is utilizing a mobile application to submit sidewalk repair requests.

SERIES 2020 UNLIMITED TAX PARK BONDS

The Board tabled this item until Ms. Peak joined the call.

RESOLUTION AUTHORIZING APPLICATION TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY FOR APPROVAL OF PROJECT AND BONDS

Mr. Rusk discussed preparation of bond application no. 7.

LAKE MANAGEMENT SERVICES

Mr. Gannaway reviewed lake maintenance and repairs performed in the District. No written report was presented.

Mr. Gannaway stated the water well is not functioning correctly and the pump and motor had to be replaced. Mr. Gannaway stated he believes the motor was struck by lightning. He stated since being replaced, the pump and motor are functioning as designed.

Mr. Gannaway reported a timer in the Pond 5 fountain was replaced.

Discussion ensued. Director Cantu inquired if the pump and motor replacement would be covered under the District's insurance policy and Mr. Perry stated he will look into the matter. The Board requested the invoice be revised to reflect replacement of the pump and motor instead of repair. Director Vannerson stated the pump and motor repair was an emergency so it was authorized outside of the Board of Directors meeting and he requested the Board ratify approval of the proposal. Following review and discussion, Director Vannerson moved to ratify approval of the pump and motor

replacement proposal in the amount of \$14,503.50. Director Cantu seconded the motion, which passed unanimously.

IRRIGATION MATTERS

Ms. Aylesworth discussed the status of the District's current irrigation system and reviewed the amount of water saved over the three-year period by participating in the Water Logic program. Director Vannerson discussed the cost benefit of upgrading the District's irrigation system. Ms. Aylesworth stated she is unable to quantify direct savings, but discussed an instance where the two-way communication smart controller irrigation monitoring is beneficial to the District. The Board concurred to table upgrading existing controllers while the Board explores other options.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills reviewed the bookkeeper's report, a copy of which is attached, and the checks presented for payment, as listed in the report. She stated a refund check was issued from the Association of Water Board Directors ("AWBD") in the amount of \$375.00 since the conference is now being held virtually. Ms. Mihills stated Director Burns was reimbursing the District for his registration to the National Association of Flood and Stormwater Management Agencies conference.

Ms. Mihills stated moving forward, ABHR will be paying for Attorney General bond fees on behalf of the District and will then include the fees on ABHR's invoice to the District.

Discussion ensued regarding the energy invoice and the removal of the ratchet charges from CenterPoint.

Ms. Mihills updated the Board regarding AWBD conference registration, noting Director Cantu is registered for the summer AWBD virtual conference.

Following review and discussion, Director Burns moved to approve the bookkeeper's report, including payment of the bills listed in the report. Director Vannerson seconded the motion, which passed unanimously with all directors voting in favor of the motion.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Jurecek reviewed the tax assessor/collector's report, a copy of which is attached, and reported that 97.17% of the District's 2019 taxes have been collected to date. Following review and discussion, Director Vannerson moved to approve the tax assessor/collector's report and payment of the tax bills. Director Cantu seconded the motion, which passed unanimously with all directors voting in favor of the motion.

REPORT FROM DELINQUENT TAX COLLECTOR

Mr. Sutton presented a report on the collection of delinquent 2019 real property taxes, a copy of which is attached. He discussed Linebarger's delinquent collection procedure and reviewed delinquent accounts with large outstanding balances. Ms. Peak joined the meeting. Discussion ensued regarding the possible impact of the COVID-19 pandemic on delinquent tax collection procedures or laws. Mr. Sutton inquired how the Board would like to proceed with collection of delinquent taxes. He stated Fort Bend County has directed Linebarger to continue mailings and file lawsuits on vacant properties, but not occupied properties, conduct in-person visits to commercial entities and when necessary issue tax warrants for commercial entities that are closing. The Board directed Linebarger to send notices and try to work with delinquent tax payers and move forward in the same manner as Fort Bend County for collection of delinquent commercial property accounts. The Board concurred to discuss item number six.

SERIES 2020 UNLIMITED TAX PARK REFUNDING BONDS

Ms. Peak discussed the procedures and proposed schedule for the issuance of the District's Unlimited Tax Park Refunding Bonds, Series 2020 (the "Series 2020 Refunding Bonds"). She discussed and reviewed current numbers, net present value savings and market conditions. Ms. Peak stated the District could currently refund approximately \$2,000,000 in Park Bonds. Ms. Peak then reviewed the fees associated with the refunding bond sale.

The Board discussed setting parameters for the refunding and concurred to authorize Director Burns, with Director Cantu as alternate, to act as the District's authorized representative to approve the pricing of the Series 2020 Refunding Bonds. After review and discussion, Director Cantu moved to establish a present value savings threshold of 5.5% and a maximum par amount of \$10,000,000 (the "Parameters"). Director Vannerson seconded the motion, which passed unanimously.

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Peak reviewed a draft of a Preliminary Official Statement ("POS") and Official Notice of Sale for the issuance and sale of the Series 2020 Refunding Bonds. Ms. Peak stated the District is not required to get approval from the City of Sugar Land.

APPOINT PAYING AGENT/REGISTRAR AND ESCROW AGENT

Ms. Peak recommended that the Board appoint The Bank of New York Mellon Trust Company, N.A. as paying agent/registrar and escrow agent for the Series 2020 Refunding Bonds.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S BONDS

Ms. Lutz discussed the Resolution Authorizing the Issuance of Unlimited Tax Refunding Bonds, Series 2020 ("Resolution"). She discussed a need by the Board to designate a director to be the authorized representative to ensure the Parameters are met when the bonds are priced.

EXECUTION OF DOCUMENTS RELATED TO THE REFUNDING BONDS

Ms. Lutz next explained that there will be various documents related to delivery of the Series 2020 Refunding Bonds requiring execution by the directors prior to closing. She requested that the Board authorize all necessary directors to execute documents necessary in connection with the transaction and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2020 Refunding Bonds to the purchaser.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Lutz discussed the Certificate Regarding Provision of Financial Advice (the "Certificate").

APPROVE CHECK TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board considered approving the check to the Attorney General relating to bond issue transcript review.

Following review and discussion, Director Vannerson moved to (1) approve the Preliminary Official Statement and Official Notice of Sale; (2) appoint The Bank of New York Mellon Trust Company, N.A. as the paying agent/registrar and escrow agent; (3) adopt the Resolution and to authorize Director Burns, with Director Cantu as alternate, to act as the District's authorized representative to approve the pricing of the Series 2020 Refunding Bonds, including the execution of the Bond Purchase Agreement and any other necessary documents, so long as the net present value savings is at least 5.5% and the principal amount of the Series 2020 Refunding Bonds does not exceed \$10,000,000; (4) authorize execution of documents related to the sale and delivery of the Series 2020 Refunding Bonds and authorize the District's attorney and financial advisor to take all necessary action to deliver the Series 2020 Refunding Bonds; (5) authorize execution of the Certificate and direct that it be filed appropriately and retained in the District's official records; and (6) approve the check to the Texas Attorney General for the bond transcript review. Director Cantu seconded the motion. Followed by a roll call of the Board, the motion passed unanimously.

ENGINEER'S REPORT

Mr. Rusk reviewed the engineer's report, a copy of which is attached.

Mr. Rusk provided an update regarding the status of the pump station site access improvements and sluice gates installation. He stated the preconstruction meeting is scheduled for July 24, 2020 and a Notice to Proceed is expected to be issued next week.

Mr. Rusk then presented and reviewed a proposal to provide engineering and design services for the back-up sluice gates project in the amount of \$48,700. A copy of the proposal is attached to the engineer's report.

Mr. Rusk stated there are no channel erosion matters to discuss.

Director Vannerson discussed the replacement of long lines near the hospital and stated residents have been experiencing community wide power outages. Mr. Rusk does not have additional information about the at this time, but will update the Board by email with additional information upon receipt. Mr. Perry stated he spoke with the field engineer and they informed him the project is expected to take another four months and it is the cause of frequent power outages.

After review and discussion, Director Vannerson moved to approve the engineering report and proposal for engineering and design of the back-up sluice gates in the amount of \$48,700. Director Cantu seconded the motion, which passed by unanimous vote.

CAPITAL IMPROVEMENT PLAN ("CIP")

There was no discussion on this matter.

OPERATION OF DISTRICT FACILITIES

Mr. Perry reviewed the operations report, a copy of which is attached. He stated LMS repaired the gate discussed last month and it is now functioning as designed. Mr. Perry stated LMS continues to monitor gates through the District and ensuring gates in the hog fencing remain closed. The Board requested Mr. Perry present a proposal to install signs informing residents the gates on the hog fence need to remain closed at all times to prevent hog access in the community.

Mr. Perry discussed the fence project and stated he and Mr. Rusk are coordinating regarding maintenance and responsibility for the fences.

In response to questions from the Board, Mr. Perry stated he will follow up regarding tree and vegetation removal in the ditch.

Mr. Perry stated LMS found a sink hole near the outfall and discharge pipe. He stated there was no damage or impact to the outfall or any District facilities and appears

to be naturally occurring settlement. Mr. Perry reported LMS repaired the sinkhole and will continue to monitor the area.

Mr. Perry updated the Board regarding the fence repair project, reported an inspection was performed and noted he will present report detailing repairs and action items in the coming months. The Board requested Mr. Perry expedite the report, if possible, so repair items can be considered for the bond application.

Mr. Perry discussed expected severe weather events and the possible impacts to the District. He noted the Brazos River is below action stage at this time and LMS will continue to monitor the District's facilities before and during the event.

Director Cantu inquired when the District's last United States Army Corps of Engineers ("USACE") inspection was performed. Mr. Perry and Ms. Lutz stated they believe the District has never had a USACE inspection, but is inspected by Fort Bend County on a regular basis. Discussion ensued regarding the USACE proposed risk assessment versus a levee inspection and the possible criteria evaluated in an assessment.

After review and discussion, Director Burns moved to accept the operator's report. Director Cantu seconded the motion, which passed unanimously.

PARK AND RECREATIONAL FACILITIES

Mr. Murr reviewed a park maintenance report, a copy of which is attached, and updated the Board regarding maintenance of park and recreational facilities in the District. He stated there are low hanging tree branches that need to be addressed and Director Vannerson stated he will follow up regarding the matter. Mr. Murr stated he believes tree pruning in all parks should be considered.

Mr. Murr stated he believes the fountain issue at Magnolia Park in Pond 5 has been repaired per earlier conversations in the meeting.

Mr. Murr updated the Board regarding replacing fencing at Magnolia and Thistle Rock parks, which will cost approximately \$16,500. He stated he believes decking needs to be addressed at both parks. No action items were presented for the Board's consideration.

PERIMETER LEVEE MATTERS

There was no discussion on this matter.

Ms. Lutz presented and reviewed revised a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds ("Resolution") for the issuance of \$1,760,000 of levee improvement and drainage bonds, noting the bond issue no. 7 was discussed under the engineer's report. After review and discussion, Director Vannerson moved to approve the Resolution and direct that it

be filed appropriately and retained in the District's official records. Director Burns seconded the motion, which passed unanimously.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") AND NATIONAL ASSOCIATION OF FLOOD & STORMWATER MANAGEMENT AGENCIES ("NAFSMA") CONFERENCES

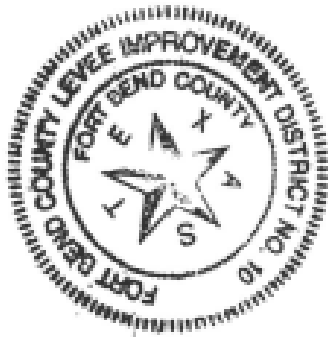
There was no further discussion regarding this item.

REPORTS FROM DIRECTOR AND/OR DISTRICT CONSULTANTS

There was no discussion regarding this item.

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

(SEAL)



/s/ Rodney Vannerson
Secretary, Board of Directors