

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 10

August 27, 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 27th day of August, 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 Aaron Gannaway of Lake Management Services ("Lake MS"); 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"); Jeff Perry of Levee Management Services, LLC ("LMS"); Guillermo Salcedo of the City of Sugar Land ("COSL"); Julie Peak and Chase Wolf of Masterson Advisors LLC ("Masterson"); Angie Lutz and Anne-Marie Bradford 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 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 July 23, 2020, regular meeting, which was provided in advance. Following review and discussion, Director Vannerson moved to approve the minutes, as provided. Director Burns seconded the motion, which passed unanimously with all directors voting in favor of the motion.

PHASE II MS4 STORM WATER MANAGEMENT PERMIT PLAN MATTERS

Ms. Lutz stated Storm Water Solutions has prepared a quarterly update regarding the District's storm water management plan, a copy of which was provided to the Board.

CITY OF SUGAR LAND ("COSL") MATTERS

Mr. Salcedo updated the Board regarding COSL matters, including measures COSL has taken since the July 9, 2020, meeting held with the Board and the RiverPark Property Owners Association.

LAKE MANAGEMENT SERVICES

Mr. Gannaway reviewed a lake maintenance report with the Board and discussed lake maintenance and repairs performed in the District. A copy of the lake maintenance report is attached.

Mr. Gannaway then reviewed a proposal from Lake MS for continued service for the fiscal year ending September 30, 2021.

Following review and discussion, Director Burns moved to approve the proposal from Lake MS. Director Cantu seconded the motion, which passed unanimously.

IRRIGATION MATTERS

There were no irrigation matters to discuss and the Board requested this item be removed from the next agenda.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Mihills reviewed the bookkeeper's report, a copy of which is attached, including the quarterly investment report and the checks presented for payment, as listed in the report.

Ms. Mihills stated ABHR will send the attorney general wire, due to the COVID-19 pandemic; therefore, the check to the Texas Attorney General has been voided.

Ms. Mihills then reviewed the proposed budget for the fiscal year end September 31, 2021, and requested comments before next the Board meeting.

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

SERIES 2020 UNLIMITED TAX PARK REFUNDING BONDS (THE "BONDS")

Mr. Wolf provided an update regarding the Bonds and reviewed the final numbers, a copy of which is attached.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Jurecek reviewed the tax assessor/collector's report, a copy of which is attached, and reported that 97.59% of the District's 2019 taxes have been collected to date. Director Cantu requested additional information regarding the delinquent tax accounts and Ms. Jurecek stated she will circulate the current delinquent accounts list to the Board. Following review and discussion, Director Cantu moved to approve the tax assessor/collector's report and payment of the tax bills. Director Vannerson seconded the motion, which passed unanimously with all directors voting in favor of the motion.

DISCUSS WATER CODE TAX PROVISIONS AND 2020 TAX RATE

The Board considered the District's 2020 tax rate. Ms. Lutz discussed recent legislative changes to the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49, Texas Water Code. She stated that such legislation established three main categories for water districts, based on a district's development status and/or tax rate. She then reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developing District for the 2020 tax year.

Following review and discussion, Director Vannerson moved to adopt a Resolution Regarding Development Status for 2020 Tax Year establishing the District as a Developing district for the 2020 tax year, pursuant to Section 49.23603, Texas Water Code. Director Burns seconded the motion, which passed unanimously.

Ms. Peak then distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2020 debt service tax rate of \$0.26 per \$100 of assessed valuation based on the District's initial 2020 certified value of \$441,610,489, plus \$6,548,047 representing 90% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate and Ms. Peak discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Cantu moved to (i) set the public hearing date for September 24, 2020; and (ii) authorize the tax assessor/collector to publish notice of the District's meeting on September 24, 2020, to set the proposed 2020 total tax rate of \$0.6824 per \$100 of assessed valuation, with \$0.26 allocated for debt service and \$0.4224 allocated for operations and maintenance. Director Burns seconded the motion, which 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 construction of the pump station site access improvements and sluice gates installation.

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

Mr. Rusk discussed future easements necessary for the relocation of the CenterPoint electricity poles.

Ms. Lutz reported that the District received a Right-of-Entry request for a survey to be conducted by the Texas Department of Transportation at the intersection of I-69 and the Brazos River. Messrs. Rusk and Perry recommended approval of the request. Following review and discussion, Director Burns moved to approve the Right-of-Entry request and authorize ABHR to execute and return such as appropriate. Director Cantu seconded the motion, which passed unanimously.

Director Vannerson then requested additional information regarding ownership of a certain tract of land within the District.

Mr. Rusk next provided an update regarding bond application no. 7 and stated that, due to the District's increased certified taxable value, the value can be increased to \$2,115,000. Discussion ensued.

Following review and discussion, Director Vannerson moved to approve the engineer's report and a Resolution Authorizing Application to the Texas Commission on Environmental Quality for Approval of Project and Bonds in an amount not to exceed \$2,115,000. Director Cantu seconded the motion, which passed unanimously.

CAPITAL IMPROVEMENT PLAN ("CIP")

Mr. Rusk stated there are no updates to the CIP.

OPERATION OF DISTRICT FACILITIES

Mr. Perry stated there is no written report for the Board's review and discussed the District preparations for Tropical Depression Marco and Hurricane Laura. He then

stated that herbicide is scheduled to be applied to the levee in order to reduce the number of weeds.

Mr. Cantu requested an update regarding whether the broken pump and coverage of same under the District's insurance policies. Mr. Perry stated that he is continuing to coordinate with the District's insurance broker to determine same.

Following review and discussion, Director Cantu moved to approve the operator's report. Director Burns 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 provided an update regarding the low hanging tree branches at Thistle Rock Park and stated the ground drains at the park need to be cleared in order to drain properly. Director Vannerson stated he will coordinate with Houston Landscapes Unlimited regarding the two issues. Mr. Murr next reported that the precipitation collection cups at Thistle Rock Park need to be cleaned out in order to properly measure rainfall and stated he will contact WaterLogic regarding same.

Mr. Murr next discussed replacing the fencing at Magnolia Park and Mr. Rusk confirmed the Board's intention to include this project in bond application no. 7.

Mr. Murr then recommended replacing the mulch at Thistle Rock Park and requested authorization to do same in an amount not to exceed \$3,000.

Following review and discussion, Director Cantu moved to approve the park maintenance report and authorize replacement of the mulch at Thistle Rock Park in an amount not to exceed \$3,000. Director Vannerson seconded the motion, which passed unanimously.

PERIMETER LEVEE MATTERS

Director Burns provided an update regarding the Fort Bend Flood Management Association.

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

Directors Cantu and Burns discussed the NAFSMA conference, including future changes to the National Flood Insurance Program, and the AWBD summer conference.

REPORTS FROM DIRECTOR AND/OR DISTRICT CONSULTANTS

The Board considered holding its next Board meeting via Zoom videoconference. After discussion, the Board concurred to hold the meeting via teleconference.

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

(SEAL)



/s/ Rodney Vannerson
Secretary, Board of Directors