

MINUTES  
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 10

August 24, 2023

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 10 (the "District"), met in regular session, open to the public, on the 24th day of August, 2023, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, 24th Floor, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

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

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

Also attending the meeting were Mary Ann Mihills of Municipal Accounts & Consulting, LP; Michael Murr of Murr Incorporated; Kelley Jurecek of Tax Tech, Inc.; Michael Rusk of LJA Engineering, Inc ("LJA"); Albert Ramirez of Lake Management Services, LP; Jeff Perry of Levee Management Services, LLC; Nik Raha of the City of Sugar Land; Julie Peak of Masterson Advisors LLC; Chip Sutton of Linebarger Goggan Blair & Sampson LLP; and Brooke Milbauer and Shammara Polk of Allen Boone Humphries Robinson LLP(" ABHR").

PUBLIC COMMENTS

Director Burns offered any members of the public attending the meeting the opportunity to make public comments. 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 June 9, 2023, special meeting, and the June 29, 2023, regular meeting, as presented. Following review and discussion, Director Cantu moved to approve the minutes, as presented. Director Burns seconded the motion, which passed unanimously.

PHASE II MS4 STORMWATER MANAGEMENT PLAN

There was no discussion on this agenda item.

CITY OF SUGAR LAND ("COSL") MATTERS

Director Cantu inquired about water leaks throughout the community. Mr. Raha advised that the COSL is working to resolve the water leaks through the community and

requested Director Cantu provide the exact location of the water leaks he has located so the COSL can investigate further.

Director Cantu next discussed the influx of armadillos throughout the community.

#### LAKE MANAGEMENT SERVICES

Mr. Ramirez 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.

#### FINANCIAL AND BOOKKEEPING MATTERS

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

Ms. Mihills reviewed a draft budget for the fiscal year ending September 30, 2024, and requested comments from District consultants before the next Board meeting.

Following review and discussion, and based on the bookkeeper's recommendation, Director Burns moved to approve the bookkeeper's report, and the payment of the bills listed in the report. Director Cantu seconded the motion, which passed unanimously.

#### TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Jurecek reviewed the monthly tax assessor/collector's reports, including the tax bills presented for payment. A copy of the tax assessor/collector's reports is attached. She reported that 98.67% of the District's 2022 taxes have been collected to date.

Ms. Jurecek stated that the District's 2023 certified assessed value is \$596,949,994.00.

Following review and discussion, Director Cantu moved to approve the tax report and the checks presented for payment. Director Burns seconded the motion, which passed unanimously.

#### REPORT FROM DELINQUENT TAX ATTORNEY

Mr. Sutton reviewed the delinquent tax report with the Board, a copy of which is attached. Discussion ensued, and Mr. Sutton addressed questions from the Board.

#### 2023 TAX RATE

The Board considered the District's 2023 tax rate. Ms. Peak distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2023 debt service tax rate of \$0.20 per \$100 of assessed valuation. A copy of the

debt service tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Ms. Peak discussed the two-step process for setting the District's tax rate.

The Board considered the District's 2023 tax rate. Ms. Milbauer discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. She 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 Developed District for the 2023 tax year.

Following review and discussion, Director Cantu moved to (1) adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed district for the 2023 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) set the public hearing date for September 28, 2023; and (3) authorize the tax assessor/collector to publish notice in the Fort Bend Independent of the District's meeting on September 28, 2023, to set the proposed 2023 total tax rate of \$0.57 per \$100 of assessed valuation. 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 Brazos River erosion matters. He stated the river continues to remain at a low level.

Mr. Rusk provided an update regarding the Park at the Levee (Enclave). He requested Board approval to proceed with re-bidding the project. Discussion ensued, and the Board concurred to defer action. Mr. Raha requested that LJA send him a copy of the plans so the COSL parks department can review before re-bidding the project.

Mr. Rusk provided an update regarding the Overlook Trail Extension. He reviewed and recommended approval of Pay Estimate No. 2 in the amount of \$14,223.57, submitted by Advanced Construction Development, LLC ("Advanced").

Mr. Rusk provided an update on the District's capital improvement plan. He reviewed and presented a proposal in the amount of \$99,600.00, submitted by LJA for the design of the generator replacement and pump station improvements. Discussion ensued regarding funding of the generator replacement and pump station improvements.

Following review and discussion, and based on the engineer's recommendation, Director Burns moved to (1) approve the engineering report; (2) approve Pay Estimate No. 2 in the amount of \$14,223.57, submitted by Advanced; and (3) approve the proposal in the amount of \$99,600.00, submitted by LJA, as presented. Director Cantu seconded the motion, which passed unanimously.

#### OPERATION OF DISTRICT FACILITIES

Mr. Perry reviewed the operations report, a copy of which is attached, and updated the Board regarding the repairs and maintenance performed since the last meeting.

Following review and discussion, Director Cantu moved to approve the operations report. Director Burns seconded the motion, which passed unanimously.

#### PARK LAND SUBSTITUTION WITH THE CITY OF SUGAR LAND FOR ONGOING PARK AND RECREATIONAL PROJECTS

Ms. Milbauer updated the Board regarding the park land substitution with the COSL. She stated that ABHR and the COSL have been working to finalize an exchange agreement. She stated that the COSL wants to ensure that the improvements that were previously discussed would in fact happen before the land swap is finalized. Discussion ensued regarding funding of park projects. Ms. Milbauer advised that ABHR will coordinate with Jacob Clark of LJA and Ms. Mihills regarding what funds are available and requested the Board approve the exchange agreement, subject to finalization.

Following review and discussion, Director Burns moved to approve the exchange agreement, subject to finalization. Director Cantu seconded the motion, which passed unanimously.

#### PARK AND RECREATIONAL FACILITIES

Mr. Murr reviewed the park maintenance report, a copy of which is attached, and updated the Board regarding the maintenance of park and recreational facilities in the District.

Mr. Murr updated the Board on the turf replacement at the Clubhouse Park turf next to the RiverPark Recreation Center. He reviewed a proposal from Lone Star Recreation of Texas, LLC ("Lone Star") for the turf replacement at the recreation center in the amount of \$219,476.25. He stated that if approved, the installation will take place between November 1<sup>st</sup> through Thanksgiving and the Board will need to provide a deposit of \$65,000.00. Discussion ensued, and the Board concurred to approve the proposal, as presented. Ms. Mihills prepared and presented check no. 5023 in the amount of \$65,000.00, payable to Lone Star for the deposit for the turf replacement at the recreation center.

Mr. Murr informed the Board that the additional parts for the zip line have been received and are in storage.

Mr. Murr informed the Board that the painting of the fence at the recreation center is complete.

Mr. Murr updated the Board on the replacement of additional trees along the Grand Parkway. He stated the trees will be planted in the Fall. Discussion ensued, and the Board concurred to put this project on hold.

Mr. Murr informed the board that stone repair is needed at Thistle Rock.

Mr. Murr informed the Board that the granite gravel in front of the zip line next to the splash pad is getting low. He requested Board approval to install granite gravel in an amount not to exceed \$2,900.00.

Following review and discussion, Director Cantu moved to (1) approve the park maintenance report; (2) approve the proposal in the amount of \$219,476.25, submitted by Lone Star for turf replacement at the Clubhouse Park next to the RiverPark Recreation Center; (3) approve check no. 5023 in the amount of \$65,000.00, payable to Lone Star for the deposit for the turf replacement at the recreation center; and (4) approve the installation of granite gravel in front of the zip line in an amount not to exceed \$2,900.00. Director Burns seconded the motion, which passed unanimously.

#### PERIMETER LEVEE MATTERS

There was no discussion regarding this agenda item.

#### REPORTS FROM DIRECTOR AND/OR DISTRICT CONSULTANTS

There was no discussion regarding this agenda item.

#### DISTRICT WEBSITE MATTERS

There was no discussion regarding this agenda item.

#### ATTORNEY'S REPORT

#### REPORT REGARDING LEGISLATIVE MATTERS

Ms. Milbauer reviewed a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature.

#### EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Milbauer reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by

persons proposing to sell or convey real property located in a water district. She said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Ms. Milbauer explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County and with the Texas Commission on Environmental Quality ("TCEQ"). Following review and discussion, Director Burns moved to authorize execution of the Amendment to Information Form and to authorize filing with Fort Bend County and the TCEQ. Director Cantu seconded the motion, which passed unanimously.

RESOLUTION ESTABLISHING DIRECTOR FEES OF OFFICE AND DISTRICT REIMBURSEMENT POLICY

Ms. Milbauer stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. She noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation.

The Board then considered adopting a Resolution Establishing Director Fees of Office and District Reimbursement Policy to reflect that directors' fees of office shall be paid at the maximum rate allowed by law, noting that this would replace the previously adopted Resolution. Discussion ensued, and the Board concurred to defer action until the next Board meeting.

EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE

The Board did not convene in executive session.

The Board concurred to hold the next parks meeting on September 15, 2023, and the next regular meeting on September 28, 2023.

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



  
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Secretary, Board of Directors

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