

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

March 4, 2014

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 March 4, 2014 at the offices of Coats, Rose, Yale, Ryman & Lee, P.C., 3 East Greenway Plaza Suite 2000, Houston, Texas 77046, a designated meeting place outside the boundaries of the District; whereupon, the roll was called of the members of the Board of Directors, to-wit:

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 Kim Shelnett of Myrtle Cruz, Inc., the District's Bookkeeper; Patty Rodriguez, the District's tax assessor/collector ("TAC"); Jason Klump of Stormwater Solutions ("SWS"), the District's Operator; Joe Mattingly with Champions Hydro-Lawn, Inc. ("Champions"); Craig Kalkomey of Jones & Carter ("J&C"), the District's Engineer; John Cannon and Ryan Bledsaw 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 was present from the public.

APPROVAL OF MINUTES

The Board considered approving the minutes of the Board meeting held February 4, 2014. After consideration and upon motion by Director Lukin, seconded by Director Mazzo, and the question being put to the Board, the Board voted unanimously to approve the minutes of the meeting held February 4, 2014, after correction of a typographical error.

APPROVING TAX COLLECTOR'S REPORT

The Board recognized Ms. Rodriguez, who reported that as of January 31, 2014, 97.249% of the 2013 tax levy has been collected. 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 Mazzo, the Board voted unanimously to approve the tax collector's report, a copy of which is attached hereto as Exhibit "B".

CHAMPIONS HYDRO-LAWN, INC. REPORT

The Board recognized Mr. Mattingly who presented and updated the Board on the status of the District's rights of way. A copy of the report is attached hereto as Exhibit "C".

Mr. Mattingly reported that: mowing was completed on February 21, 2014, but the test area was not mowed; the irrigation system is still turned off; the barbed wire fence project was completed on February 18, 2014; Champions is working with LMS to obtain permission to cross neighboring levees for access to outfall for de-silting and cleaning.

The Board noted that Mr. Mattingly should be ready to mow the levee and oversee the levee in early April

Next, Director Lukin noted that she met with the homeowners association to discuss long term goals for capital improvement projects and maintenance in the Commonwealth. She suggested that the Board consider meeting with Champions and the HOA in the District to discuss preparing a master plan that can be implemented over time.

No action was taken.

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 "D".

During the month of February, the pumping station and related equipment were inspected on a daily basis to insure proper operation. All outfall structures have been inspected at least once a week. In addition, all drainage ditches, back slope drains, drainage swales, levees and easement have been inspected at least twice during the month. A constant weather watch has been maintained on a local and regional basis, as well as the Brazos River stages at Richmond.

At the pump station, SWS is continuing to test genset and load bank for one hour weekly and is continuing debris removal and good housekeeping measures. The pump station generator was topped off with 279.5 gallons of fuel.

Mr. Klump also reported that trash and debris were removed from the pump station forebay and tree limbs have been removed from around the levee by SWS and CenterPoint. SWS filled and re-seeded the area of the levee damaged by a utility contractor and back-charged the

contractor. Champions completed perimeter fence work and SWS replaced No Trespassing signs per the Board's request. The Board suggested that additional signs be posted. Mr. Klump also noted that 11 padlocks need to be replaced at various locations in the District.

Upon a motion by Director Mazzo, seconded by Director Frerich, the Board voted unanimously to (i) approve the operator's report as presented and (ii) authorize SWS to replace 11 padlocks.

DISCUSS STATUS OF SUSTAINABLE GROWTH TEXAS, LLC CONTRACT ITEMS

No action was taken.

ENGINEER'S REPORT

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

Review proposed Capital Improvements Budget

Mr. Kalkomey reported that the completion of the storage building has been delayed but should be completed by mid-April. At the April meeting J&C will present the Board with final quotes on all previously discussed equipment and supplies to be stored in the building.

De-Silting of Commonwealth Boulevard

On February 26, 2014, J&C received one bid for the project after the submittal time expired. Per J&C policy and common industry practice for receiving irregular bids, J&C did not open or review the bid. Mr. Kalkomey stated that the Board could choose to accept the irregular bid and have him open it during the meeting for review. J&C did discuss the project with DREDGIT, whose bid consisted of only hydraulic dredging and does not include removal of rip rap, sidewalk repair, or bulkhead repairs.

After opening the bid and further discussion, the Board instructed Mr. Kalkomey to re-bid the project and not limit the manner of silt removal to dredging.

Maintenance Building

CZS Developers is continuing to work on the storage building and well house.

- **Storage building:** In February, CZS had an issue with the manufactured wood trusses. The issue has been resolved and the storage building is moving forward. In addition, there was a discrepancy with respect to the height on the front doors, which has also been resolved. The storage building is scheduled to be completed by mid-April. Mr. Kalkomey presented a revised building elevation for the District's records.
- **Well house:** J&C worked with CZS and the original structural engineer to revise the foundation design for the well house. Per last month's meeting, J&C worked with a different geotechnical engineer to provide the engineer with a foundation

recommendation. On March 3, 2014, the structural engineer revised his design. CZS is reviewing the design and will provide J&C with an estimate of any changes in construction costs. The well-house is scheduled to be completed by the end of April.

Additional Items

Utility Easements

J&C has reviewed all or most of the known instruments that impact the District and prepared an exhibit showing the location of each utility crossing and its associated easement, which exhibit is attached to the engineer's report. Mr. Kalkomey noted that one of CenterPoint's lines was built outside of the corresponding easement. The Board instructed him to work with CenterPoint to modify the easement to reflect the actual placement of the line.

GIS Services

J&C has a GIS web service that it offers to various clients for a monthly fee. The web service gives the subscriber access to a series of information of their choosing. The initial setup fee for the service is approximately \$1,000 to \$1,500. After the site is set up, J&C charges a monthly maintenance fee of \$200. Any revisions or additions to the data would be billed at an hourly rate. Mr. Kalkomey gave the Board demonstration of the services using an existing subscriber. He stated that data which could be made available to the District includes:

- Construction plans / Previous levee certification PDFs
- Utility crossings and easements
- District facility data
- Levee breach flood depths
- Evacuation routes
- Operator inspection reports
- Homeowner levee violations

The Board expressed interest and asked Mr. Kalkomey if J&C could reduce the monthly fee for the District. Mr. Kalkomey said he would look into the matter.

MS4 Permitting

J&C has completed the District's submittal for a waiver of the MS4 permitting requirements, which needs to be signed by the Board before it can be submitted to TCEQ.

After discussion, upon a motion brought by Director Mazzo, seconded by Director Lukin, the Board unanimously voted to approve the engineer's report as presented and to authorize authorize J&C (i) to re-bid the de-silting project and (ii) to contact CenterPoint to revise the easement that does not comport with its utility line, and (iii) submit the MS4 permit waiver request.

BOOKKEEPER'S REPORT

The Board then recognized Ms. Shelnett 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 "F".

After discussion and upon motion by Director Lukin, duly seconded by Director Mazzo, after full discussion and the question being put to the Board, the Board voted unanimously to approve the bookkeeper's report and the checks presented for approval.

HEAR ATTORNEY'S REPORT

Discuss "ring levee" issues and take any necessary actions

No action was taken on this matter.

Discuss FBFMA issues and take any necessary actions

No action was taken on this matter.

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

PASSED, APPROVED and ADOPTED this 1st day of April, 2014.


Secretary, Board of Directors

(DISTRICT SEAL)

