

MINUTES  
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6

September 23, 2019

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 6 (the "District") met in regular session, open to the public, on the 23rd day of September, 2019, at The George Foundation, 215 Morton Street, in the Main Conference Room, Richmond, Texas, a regular meeting place outside the boundaries of the District, and the roll was called of the members of the Board:

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|----------------|----------------|
| Gary Pochyla   | President      |
| Kent P. Savage | Vice President |
| Linda Jacks    | Secretary      |

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

Also present at the meeting were Jeffery Kester, David Vrshek, Joe Grace, Chris Read, and Tom Butcher, residents of the District; Ron Dechert of Costello, Inc. ("Costello"); Tracey Scott of Myrtle Cruz, Inc.; Brittany Bogard of Assessments of the Southwest, Inc.; Julie Peak of Masterson Advisors LLC ("Masterson"); Trey Reichert of The Johnson Development Corporation; and Angela Lutz, Nellie Connally, and Holly Huston of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Butcher requested clarification regarding the annual deferral interest rate for residents who are eligible for the exemption for residents 65 years and older or disabled. Ms. Lutz stated the annual interest rate is 8%.

MINUTES

The Board considered approving the minutes from the August 26, 2019, Board of Directors' meeting, which was provided in advance of the meeting. After review and discussion, Director Pochyla moved to approve the August 26, 2019, minutes. Director Jacks seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Bogard distributed and reviewed the August tax assessor/collector's report, a copy of which is attached. She stated the District's 2018 tax collection rate is 99.25% as of August 31, 2019. After review and discussion, Director Pochyla moved to approve the tax assessor/collector's report and payment of the tax bills. Director Jacks seconded the motion, which passed by unanimous vote.

CONDUCT PUBLIC HEARING DATE REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Peak presented and reviewed a debt service tax rate analysis recommending the District levy a 2019 total tax rate of \$0.50. She reviewed projected maintenance and operations revenue for District operations at various tax rates. A copy of the analysis is attached.

Ms. Bogard stated that Assessments of the Southwest, Inc., published the required Notice of Public Hearing stating the District anticipates levying a total tax rate of \$0.50 per \$100 of assessed valuation at this meeting.

Director Pochyla then opened the public hearing. No members of the public came forward to make comments. Director Pochyla closed the public hearing.

Ms. Lutz presented to the Board an Order Levying Taxes for a total tax rate of \$0.50 per \$100 of assessed valuation comprised of \$0.375 for debt service and \$0.125 for operations and maintenance. Ms. Lutz also presented an Amendment to Information Form reflecting the new tax rate.

After review and discussion, Director Savage moved to adopt the Order Levying Taxes as presented and authorize execution of the Amendment to Information Form, and direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which passed unanimously. The Board confirmed its intention that the 2019 tax levy includes a debt service component for the calendar year ending December 31, 2019, and a maintenance tax component for the fiscal year ending July 31, 2020.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Scott presented to the Board for review and approval the bookkeeper's report and bills, a copy of which is attached. Following review and discussion, Director Jacks moved to approve the bookkeeper's report and payment of bills. Director Pochyla seconded the motion, which passed unanimously.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPTION OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy. Ms. Lutz next reviewed a Resolution Regarding Annual Review of Investment Policy. After review and discussion, Director Pochyla moved to approve and authorize execution of the Resolution Regarding Annual Review of Investment Policy and direct that the

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

REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Ms. Lutz reviewed a list of authorized Broker/Dealers provided by the District's bookkeeper. She then reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. After review and discussion, Director Pochyla moved to adopt Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that it be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES, BILLINGS, REPAIRS AND MAINTENANCE, INCLUDING SHARED PERIMETER LEVEE REPORT

Ms. Lutz and Mr. Dechert reviewed the operator's report, a copy of which is attached. Ms. Lutz updated the Board regarding operations and maintenance performed in the District during the last month.

Mr. Dechert updated the Board regarding the Rabbs Bayou sloughing, stating Levee Management Systems LP, ("LMS"), will recompact the sloughing repairs and inspect the Bayou to determine if additional repairs are necessary.

MOWING OF DISTRICT FACILITIES

There was no discussion on this agenda item.

UPDATE REGARDING STORM WATER PERMITTING MATTERS, INCLUDING PUBLIC COMMENTS

There was no discussion on this agenda item.

REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Mr. Reichert updated the Board regarding development in the Veranda community. He then presented and reviewed a development report, a copy of which is attached. Discussion ensued regarding development in Veranda.

Mr. Vrshek updated the Board regarding development in Fort Bend County Municipal Utility District No. 187 ("MUD 187").

### ENGINEERING MATTERS

Mr. Dechert updated the Board regarding engineering matters and presented and reviewed an engineer's report, a copy of which is attached.

Mr. Dechert updated the Board regarding the status of construction projects for MUD 187. He requested Board approval for LMS to repair a wash out on the north side of Del Webb Detention Pond No. 2 in an amount not to exceed \$3,000. Copies of the map and pictures are attached to the engineering report.

Mr. Dechert updated the Board regarding the status of construction projects for Williams Ranch Municipal Utility District No. 1 ("WRMUD 1") and noted there were no projects or pay estimates for the Board's approval.

Mr. Dechert reported that Costello updated the Board regarding construction of Veranda Detention Pond Phase III. He reviewed and recommended Board approval of Pay Estimate No. 2 in the amount of \$648,657.68 payable to Lonnie Lischka Company, LP. ("Lonnie Lischka").

Mr. Dechert updated the Board regarding construction projects for The George Foundation and noted there were no projects or pay estimates for the Board's approval.

Mr. Dechert updated the Board regarding construction projects for the Rabbs Bayou sloughing repair and noted there were no projects or pay estimates for the Board's approval.

Mr. Dechert and Ms. Lutz updated the Board regarding the status of the West Levee Extension project pursuant to Fort Bend County's ("FBC") request. Ms. Lutz reported she received a phone call from the FBC Chief Engineer in response to a letter from the District, stating FBC is still interested in the project; however, the County would prefer the District to approach the property owners of the proposed right-of-way for the extension. Following discussion, the Board concurred to authorize ABHR to notify FBC that the District is interested in moving forward with the West Levee Extension project; however the Board determined FBC should be responsible for approaching property owners as the extension project was requested by FBC.

Mr. Dechert updated the Board on the status of the Master Drainage Plan analysis.

Following review and discussion, and based upon the engineer's recommendation, Director Jacks moved to (1) approve the engineer's report; (2) authorize LMS to repair the wash out on the north side of Del Webb Detention Pond

No. 2 in an amount not to exceed \$3,000; (3) approve Pay Estimate No. 2 in the amount of \$648,657.68 payable to Lonnie Lischka, for construction of Veranda Detention Pond Phase III; and (4) direct ABHR to further respond to FBC regarding the West Levee Extension. Director Savage seconded the motion, which passed unanimously.

BOND APPLICATION NO. 6, INCLUDING

Ms. Peak and Mr. Dechert updated the Board regarding the status of the Series 2019A Unlimited Tax Levee Improvement Bonds ("Series 2019A Bonds") application.

APPROVE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL NOTICE OF SALE

Ms. Peak reviewed the Preliminary Official Statement and Official Notice of Sale for the Series 2019A Bonds.

AUTHORIZE ENGINEER TO REQUEST TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") INSPECTION OF FACILITIES

The Board considered authorizing Costello to request the TCEQ inspection of facilities to be funded with proceeds of the Series 2019A Bonds.

AUTHORIZE TAX ASSESSOR/COLLECTOR TO REQUEST CERTIFICATE OF ASSESSED VALUES AS OF JANUARY 1 FROM THE APPRAISAL DISTRICT

The Board considered authorizing the tax assessor/collector to request a Certificate of Appraised Value as of January 1, from the Fort Bend Appraisal District.

DISCLOSURE PURSUANT TO MUNICIPAL SECURITIES RULEMAKING BOARD REQUIREMENTS

There was no discussion on this agenda item.

ENGAGE RATING COMPANY

The Board considered engaging Moody's Investor Services to perform a credit rating analysis for the District's Series 2019A Bonds.

APPOINT PAYING AGENT/REGISTRAR

The Board discussed the paying agent/registrar for the Series 2019A Bonds.

APPOINT ESCROW AGENT

There was no discussion on this agenda item.

AUTHORIZE ADVERTISEMENT FOR SALE OF THE SERIES 2019A BONDS AND SCHEDULE BOND SALE

The Board then considered advertisement for sale of the Series 2019A Bonds and discussed an appropriate bond sale date.

Following discussion, Director Pochyla moved to (1) approve the Preliminary Official Statement and Official Notice of Sale, subject to final review and approval of the District's consultants; (2) authorize the District's engineer to request the TCEQ inspection of facilities included in the Series 2019A Bonds; (3) authorize the tax assessor/collector to request the Certificate of Appraised Value as of January 1, from the Fort Bend Appraisal District; (4) engage a rating company to perform a credit rating analysis for the District's Series 2019A Bonds; (7) appoint Bank of New York Mellon Trust Company as paying agent/registrar and escrow agent, if requested by the TCEQ staff memo; and (8) authorize advertisement for bids for the Series 2019A Bonds and schedule the bond sale for October 28, 2019, subject to receipt of a clean staff memo from the TCEQ. Director Jacks seconded the motion, which carried unanimously.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2014 BONDS

Ms. Lutz reviewed the Interim Excess Earnings Report for the Unlimited Tax Bonds, Series 2014, as prepared by OmniCap Group LLC. She stated that the reports reflect that no arbitrage rebate or yield reduction payment is due to the Internal Revenue Service. Following review and discussion, Director Jacks moved to accept the report and directed that the report be filed appropriately in the District's records. Director Savage seconded the motion, which passed by a unanimous vote.

DISTRICT WEBSITE REVIEW

Ms. Lutz updated the Board regarding updates to the District website during the recent rain event.

DEEDS AND EASEMENTS

Ms. Lutz presented and reviewed a Special Warranty Deed ("Deed") from HW 589 Holdings, LLC ("HW 589) for the conveyance of Veranda Ponds, Phase 2 to the District.

Ms. Lutz presented and reviewed a revised Assignment of Drainage Easement (the "Assignment") from KB Home Lone Star Inc. ("KB Home") to the District.

Mr. Butcher inquired about the rules and regulations that limit access to the District's lakes. Ms. Lutz stated the District can implement rules about the access to the lakes, but enforcement is often difficult. She also reiterated that enforcement must be the same for resident and non-residents.

Following review and discussion, Director Pochyla moved to (1) accept the Deed from HW 589 for the Verdana Ponds, Phase 2; (2) authorize execution of the revised Assignment from KH Home; and (3) and direct all referenced documents be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which passed by unanimous vote.

COST SHARING AGREEMENT WITH FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 215 FOR MOWING SERVICES

The Board reviewed a Cost Sharing Agreement between the District and Fort Bend County Municipal Utility District No. 215 ("MUD 215") for mowing services. Following review and discussion, Director Savage moved to authorize execution of the Cost Sharing between the District and MUD 215 for mowing services and direct that the agreement be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which carried by unanimous vote.

COST SHARING AGREEMENT WITH WR MUD 1 FOR MOWING SERVICES

The Board next reviewed a Cost Sharing Agreement between the District and WRMUD 1 for mowing services. Following review and discussion, Director Savage moved to authorize execution of the Cost Sharing between the District and WRMUD 1 for mowing services and direct that the agreement be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which carried by unanimous vote.

PERIMETER LEVEE MATTERS AND NATIONAL ASSOCIATION OF FLOOD AND STORM WATER MANAGEMENT AGENCIES

There was no discussion on this agenda item.

ANNEXATION MATTERS

There was no action taken on this agenda item.

DISCUSS LEVEE IMPROVEMENT DISTRICT DIRECTOR CONTINUING EDUCATION REQUIREMENTS AND REVIEW DIRECTOR HOURS

Ms. Lutz updated the Directors regarding their continuing education hours.

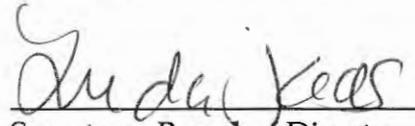
ITEMS FOR NEXT AGENDA

There was no discussion on this agenda item.

NEXT MEETING DATE, INCLUDING DISCUSS SCHEDULE FOR IN-DISTRICT MEETINGS

The Board concurred to meet on October 28, 2019, at 12:00 p.m. at The George Foundation.

There being no further business to discuss, the meeting was adjourned.

  
Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

|                                       | Minutes     |
|---------------------------------------|-------------|
|                                       | <u>Page</u> |
| Tax assessor/collector's reports..... | 1           |
| Tax rate recommendation analysis..... | 2           |
| Bookkeeper's report and bills.....    | 2           |
| Operator's report.....                | 3           |
| Development report.....               | 3           |
| Engineer's report.....                | 4           |