

MINUTES  
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6

November 26, 2018

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 26th day of November, 2018, 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:

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, Tom Butcher, David Vrshek, and Chris Read, residents of the District; Ron Dechert of Costello, Inc. ("Costello"); Tracey Scott of Myrtle Cruz, Inc.; David Patterson of Assessments of the Southwest, Inc.; Julie Peak of Masterson Advisors LLC; Howard Cohen of Schwartz, Page & Harding, LLP; Marsha Jan of McCall Gibson Swedlund Barfoot PLLC; David Beyer of Stormwater Solutions, LLC; June Tang of The Johnson Development Corporation; Todd Johnson of Caldwell Companies; Roger Adamson of The George Foundation; and Angela Lutz and Holly Huston of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Butcher discussed maintenance of Pond 1 (Serenity Pond) and the ongoing erosion due to overwatering. Mr. Dechert reported that he and Jeff Perry of Levee Management Systems met with a representative of the Del Webb Homeowners Association ("HOA") to walk the Serenity Pond and discuss potential repairs to be made. He stated that the HOA is currently engaging geotechnical engineers to evaluate the damaged areas along the Serenity Pond and will be submitting their recommended repair options to the HOA. Mr. Butcher stated he will follow up with the HOA regarding this matter.

MINUTES

The Board considered approving the minutes from the September 24, 2018, Board of Directors' meeting, which were provided in advance of the meeting. After review and discussion, Director Savage moved to approve the September 24, 2018, minutes. Director Pochyla seconded the motion, which passed unanimously.

## APPROVE AUDIT FOR FISCAL YEAR END JULY 31, 2018

Ms. Jan presented and reviewed the District's audit for the fiscal year ending July 31, 2018. After review and discussion, Director Jacks moved to approve the audit for the fiscal year end July 31, 2018, subject to finalization. Director Savage seconded the motion, which passed unanimously.

## TAX ASSESSMENT AND COLLECTIONS MATTERS

Mr. Patterson distributed and reviewed the October tax assessor/collector's report, a copy of which is attached. He stated the District's 2018 tax collection rate is 2.10% as of October 31, 2018. Mr. Patterson then reviewed a delinquent tax attorney report, a copy of which is attached to the tax assessor/collector's report. After review and discussion, Director Pochyla moved to approve the tax assessor/collector's report and payment of the tax bills. Director Savage seconded the motion, which passed by unanimous vote.

## 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 Savage moved to approve the bookkeeper's report and payment of bills. Director Jacks seconded the motion, which passed unanimously.

## REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2013 BONDS

Ms. Lutz reviewed the Interim Excess Earnings Report for the Unlimited Tax Bonds, Series 2013, 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. The Board concurred to accept the report and directed that the report be filed appropriately in the District's records.

## \$7,850,000 UNLIMITED TAX BONDS, SERIES 2018

Ms. Peak stated that the Board received three bids for the District's \$7,850,000 Unlimited Tax Bonds, Series 2018 Bonds (the "Series 2018 Bonds").

The Board next considered awarding the sale of the District's Series 2018 Bonds. Ms. Peak stated she verified the accuracy of the bids and recommended that the Board accept the bid with the lowest net effective interest rate of 4.011523% submitted by Raymond James & Associates, Inc. ("RJA"). After review and discussion, Director Pochyla moved to award the sale of the District's Series 2018 Bonds to RJA, whose bid contained the lowest net effective interest rate. Director Jacks seconded the motion, which passed by unanimous vote. Copies of the accepted bid from RJA and summary of bid results are attached.

Ms. Peak noted Moody's Investor Service upgraded the District to a BAA1 rating.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S SERIES 2018 BONDS

Ms. Lutz reviewed a Resolution Authorizing the Issuance of the District's Series 2018 Bonds. After review and discussion, Director Pochyla moved to adopt the Resolution Authorizing the Issuance of the District's Series 2018 Bonds, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which passed unanimously.

APPROVE PAYING AGENT/REGISTRAR AGREEMENT

Ms. Lutz then reviewed the Paying Agent/Registrar Agreement between the District and Bank of New York Mellon. After review and discussion, Director Pochyla moved to approve the Paying Agent/Registrar Agreement between the District and Bank of New York Mellon, and direct that the Agreement be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which passed unanimously.

APPROVE OFFICIAL STATEMENT

Ms. Lutz stated that the Preliminary Official Statement will be updated to include information regarding the bond sale. After review and discussion, Director Pochyla moved to approve the Official Statement for the Series 2018 Bonds, direct that the Official Statement be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which passed unanimously.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Lutz presented and reviewed a Certificate Regarding Provision of Financial Advice. After review and discussion, Director Pochyla moved to approve the Certificate and direct that it be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which passed by unanimous vote.

AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BOND SALE AND AUTHORIZE THE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BONDS TO THE PURCHASER

Ms. Lutz stated that it will be necessary for the Board to sign certain documents relating to the sale of the District's Series 2018 Bonds, and for the attorney to

submit a transcript of the bond proceedings to the Attorney General of Texas. She added that the financial advisor also will take necessary action in connection with the delivery of the bonds to the purchaser. After review and discussion, Director Pochyla moved to authorize the Board to sign the documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action to deliver the bonds to the purchaser. Director Jacks seconded the motion, which passed by unanimous vote.

APPROVE CHECK TO ATTORNEY GENERAL RELATING TO BOND TRANSCRIPT REVIEW

Ms. Lutz stated the District will need to issue a check to the Texas Attorney General to review the District's Series 2018 Bond Transcript. After review and discussion, Director Pochyla moved to authorize approve the check to the Texas Attorney General. Director Jacks seconded the motion, which passed by unanimous vote.

AMENDMENT TO INFORMATION FORM

Ms. Lutz stated that the Texas Water Code requires the District to file an Amendment to Information Form with Fort Bend County and the Texas Commission on Environmental Quality in order to reflect the additional bonds issued by the District. She then reviewed the Amendment to the Information Form with the Board. After review and discussion, Director Pochyla moved to authorize execution of the Amendment to Information Form and direct that the Amendment be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which passed by unanimous vote.

UPDATE FROM DISTRICT'S ENGINEER ON TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ") INSPECTION OF FACILITIES

Mr. Dechert confirmed that the TCEQ inspected the facilities.

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

The Board reviewed the operator's report, a copy of which is attached.

MOWING OF DISTRICT FACILITIES

There was no update regarding mowing of District facilities.

## UPDATE REGARDING STORM WATER PERMITTING MATTERS, INCLUDING PUBLIC COMMENTS

Mr. Beyer updated the Board on the District's Storm Water Management Plan ("SWMP"). He distributed a handout that included a summary of the Year Five goals for the SWMP, an Order Establishing Rules and Regulations Regarding Use of District Rights-of-Way necessary to enforce the penalties contained in the District's stormwater guidance manual (the "Stormwater Guidance Manual"), and a summary of the proposed major changes to the Texas Pollutant Discharge Elimination System General Permit Number TXR040000 anticipated for 2019. He also distributed and reviewed the Stormwater Guidance Manual.

Mr. Beyer then began his training session with the Board and other consultants by reviewing the Stormwater Guidance Manual and the responsibilities of each party that owns/uses the storm sewer system. Mr. Beyer continued the training by reviewing the provisions of Chapter 4 of the Stormwater Guidance Manual pertaining to stormwater controls relative to post-construction in new development and redevelopment. He reminded the Board of the previous chapters in the Stormwater Guidance Manual (public education, illicit discharge, construction site runoff, and good housekeeping for District-owned facilities). This concluded his training session. Mr. Beyer requested the Board approve the Stormwater Guidance Manual, adopt a Resolution Adopting Stormwater Guidance Manual, and adopt an Order Establishing Rules and Regulations Regarding Use of District Rights-of-Way to enforce the penalties for failure to comply with the District's Stormwater Guidance Manual.

After review and discussion, Director Savage moved to (1) approve the Stormwater Guidance Manual; (2) adopt a Resolution Adopting Stormwater Guidance Manual and direct that the Resolution be filed appropriately and retained in the District's official records; (3) adopt an Order Establishing Rules and Regulations Regarding Use of District Rights-of-Way reflecting the penalties for failure to comply with the District's Stormwater Guidance Manual and direct that the Order be filed appropriately and retained in the District's official records; and (4) authorize publication of a Notice of Adoption of Rules and Penalties. Director Jacks seconded the motion, which passed by unanimous vote.

## REPORT REGARDING DEVELOPMENT IN THE DISTRICT

Ms. Tang updated the Board regarding development in the Veranda community. She then presented and reviewed a development report, a copy of which is attached.

Mr. Johnson updated the Board regarding development in Fort Bend County Municipal Utility District No. 187.

Mr. Adamson updated the Board regarding development in Fort Bend County Municipal Utility District No. 207, and construction of the minor connector between US 59 Feeder to Circle Oak Parkway.

### 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 Del Webb and WRMUD1 and noted there were no projects or pay estimates for the Board's approval.

Mr. Dechert updated the Board regarding construction projects for Veranda Phase II and Veranda drainage ditch and noted that the drainage report for the Veranda Phase II has been approved by Fort Bend County Drainage District.

Mr. Dechert updated the Board regarding the construction of Veranda Detention Pond Phase II. He review and recommended Board approval of Pay Estimate Nos. 1 and 2 in the respective amounts of \$371,193.12 and \$543,953.70, payable to Sonora Construction ("Sonora").

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 updated the Board regarding construction projects for the shoreline repair of Serenity Pond. He stated Costello will follow up with the HOA regarding the meeting with geotechnical engineers, as previously discussed.

Mr. Dechert updated the Board regarding the surveying and engineering for the West Levee Extension pursuant to Fort Bend County's ("FBC") request. He presented and reviewed a project layout map and a preliminary statement of probable construction costs for the levee extension along East Austin Street in the amount of \$484,189.00, copies of which are attached. Mr. Dechert reported that FBC is willing to participate in the construction, but noted the FBC requested the District obtain necessary easements and prepare a cost sharing agreement with the FBC.

Following review and discussion, Director Jacks moved to (1) approve the engineers report; (2) approve Pay Estimates Nos. 1 and 2 in the respective amounts of \$371,193.12 and \$543,953.70, payable to Sonora for the construction of Veranda Detention Pond Phase II; and (3) authorize ABHR to negotiate a cost sharing agreement

with FBC and pursue necessary easements. Director Savage seconded the motion which passed unanimously.

#### DISTRICT WEBSITE REVIEW

There was no update on the District website.

#### DEEDS AND EASEMENTS

There was no discussion regarding this agenda item.

#### PERIMETER LEVEE MATTERS AND NATIONAL ASSOCIATION OF FLOOD AND STORMWATER MANAGEMENT AGENCIES

Ms. Lutz updated the Board on the Fort Bend Flood Management Association meeting.

#### APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME IN ACCORDANCE WITH THE DISTRICT'S CONTINUING DISCLOSURE OF INFORMATION AGREEMENT AND AS REQUIRED BY SEC RULE 15c22-12

Ms. Lutz reviewed the annual report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. She stated that the District is required to file certain financial and operating data with the Electronic Municipal Market Access System ("EMMA"). Following review and discussion, Director Pochyla moved to approve the Annual Report subject to finalization, authorize the attorney to submit the District's most recent official statement to comply with the continuing disclosure provisions contained in the bond resolutions, through EMMA, and direct that the Report be filed appropriately and retained in the District's official records. Director Jacks seconded the motion, which passed unanimously.

#### ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE

Ms. Lutz reported on the District's compliance activities pursuant to the District's policy during the prior calendar year related to bond financings. She stated that no corrective action is required at this time.

#### REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Ms. Lutz stated ABHR will file the District's Eminent Domain Report as required.

#### ITEMS FOR NEXT AGENDA

There was no discussion regarding this agenda item.

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

The Board concurred to meet on December 17, 2018, at 12:00 p.m. at The George Foundation.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board determined that it was not necessary to meet in executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING CONTEMPLATED LITIGATION OR SETTLEMENT OFFER

The Board did not convene in executive session.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.072, TEXAS GOVERNMENT CODE, TO DELIBERATE THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board determined it was not necessary to convene in executive session.

RECONVENE IN OPEN SESSION AND AUTHORIZE APPROPRIATE ACTION REGARDING THE PURCHASE, EXCHANGE, LEASE, OR VALUE OF REAL PROPERTY

The Board did not convene in executive session.

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

  
Secretary, Board of Directors





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