

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 6

August 26, 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 26th day of August, 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:

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, Rand Wall, David Vrshek, Larry Tillman, Chris Read, Susan Gwinnell, and Donna Cole, residents of the District; Amada Rodriguez of Williams Ranch Municipal Utility District No. 1 ("WRMUD 1"); Roger Adamson of The George Foundation; Brad Koehl of Yellowstone Landscape - Central, Inc. ("Yellowstone"); Jeff Perry and Ross Autrey of Levee Management Systems ("LMS"); Ron Dechert of Costello, Inc. ("Costello"); Tracey Scott of Myrtle Cruz, Inc.; Brittany Bogard of Assessments of the Southwest, Inc.; Greg Lentz of Masterson Advisors LLC ("Masterson"); Trey Reichert of The Johnson Development Corporation; and Angela Lutz and Holly Huston of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Vrshek commented on the on the Rabbs Bayou sloughing repair. He suggested LMS contact the Del Webb Homeowners Association ("Del Webb HOA") and the landscaping company for the Del Webb HOA, Earthcare Management ("Earthcare"), and direct that they cease maintaining the area until the grass has grown back in. Mr. Perry reported LMS has reached out to Earthcare on several occasions and has yet to hear back from them. He stated that he will follow up with the Del Webb HOA and Earthcare.

Mr. Read requested clarification on the West Levee Extension project. Ms. Lutz informed Mr. Read that his request will be addressed by Mr. Dechert during his report.

MINUTES

The Board considered approving the minutes from the June 24, 2019, Board of Directors' meeting, which was provided in advance of the meeting. After review and discussion, Director Jacks moved to approve the June 24, 2019, minutes. Director Savage seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Bogard distributed and reviewed the June and July tax assessor/collector's reports, copies of which are attached. She stated the District's 2018 tax collection rate is 98.93% as of July 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.

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

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END JULY 31, 2019

The Board reviewed a continuance letter from McCall Gibson Swedlund Barfoot PLLC ("McCall") regarding the District's agreement for McCall to conduct the District's yearly audits, a copy of which is attached. Ms. Lutz noted that the estimated cost to perform the audit is \$9,250, plus expenses. After review and discussion, Director Savage moved to authorize McCall to conduct the District's audit for the fiscal year ending July 31, 2019. Director Jacks seconded the motion, which passed unanimously.

PREPARATION OF PRELIMINARY OFFICIAL STATEMENT, OFFICIAL NOTICE OF SALE FOR SERIES 2019 BONDS AND ENGAGE AUDITOR TO PREPARE DEVELOPER REIMBURSEMENT REPORT

The Board considered authorizing Masterson to prepare the Preliminary Official Statement and Notice of Sale for the upcoming bond sale. The Board next considered engaging McCall to conduct a developer reimbursement report for the Series 2019 Bonds. After review and discussion, Director Savage moved to (1) authorize Masterson to prepare the Preliminary Official Statement and Notice of Sale; and (2) engage McCall to conduct a developer reimbursement report for the Series 2019 Bonds. Director Jacks seconded the motion, which passed unanimously.

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

Mr. Perry reviewed the operator's report, a copy of which is attached. He updated the Board regarding operations and maintenance performed in the District during the last month. Mr. Perry noted the dry summer has caused small top soil cracks to form along the Levee, however they do not affect the Levee's clay level and LMS does not consider them to be an issue. He reported LMS will continue to monitor the top soil cracks and report to the Board at the next meeting.

Mr. Perry updated the Board regarding the Rabbs Bayou sloughing. He reported that due to lack of rain, LMS has hydromulched and watered the Bayou several times in the past month. Mr. Perry noted LMS plans on re-compacting the area at the end of September.

Upon a motion made by Director Savage and seconded by Director Jacks, the Board voted unanimously to approve the operator's report.

MOWING OF DISTRICT FACILITIES

Mr. Koehl presented and reviewed a mowing and maintenance report. A copy of the report is attached.

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.

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

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

Ms. Rodriguez updated the Board regarding development in WRMUD 1.

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 and WRMUD 1 and noted there were no projects or pay estimates for the Board's approval.

Mr. Dechert updated the Board regarding construction of Veranda Detention Pond Phase II, Pond A. He reviewed and recommended Board approval of Pay Estimate Nos. 2, 3, 4 and final in the respective amounts of \$137,085.45, \$56,822.07, and \$15,248.78 payable to Fort Bend Excavation, Inc. ("FBE"). Mr. Dechert next reviewed and recommended approval of Change Order No. 1 to decrease the contract with FBE in

the amount of \$11,590.00. The Board determined that Change Order No. 1 was beneficial to the District.

Mr. Dechert updated the Board regarding the construction of Veranda Detention Pond Phase II. He reviewed and recommended Board approval of Pay Estimate No. 9 and final in the amount of \$160,879.18, payable to Sonora Construction ("Sonora"). Mr. Dechert next reviewed and recommended approval of Change Order No. 1 to decrease the contract with Sonora in the amount of \$71,080.65. The Board determined that Change Order No. 1 was beneficial to the District.

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. 1 in the amount of \$311,912.44 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.

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 Savage moved to (1) approve the engineer's report; (2) approve Pay Estimate Nos. 2, 3, 4 and Final in the respective amounts \$137,085.45, \$56,822.07 and \$15,248.78, payable to FBE for the construction of Veranda Detention, Pond II, Phase A and acceptance of the project; (3) approve Change Order No. 1 in the amount of \$11,590.00 as a decrease to the contract with FBE for the construction of Veranda Detention, Pond II, Phase A, based upon the Board's finding that the change order is beneficial to the District and the engineer's recommendations; (4) approve Pay Estimate No. 9 and Final in the amount of \$160,879.18, payable to Sonora for the construction of Veranda Detention Pond Phase II, and acceptance of the project; (5) approve Change Order No. 1 in the amount of \$71,080.65 as a decrease to the contract with Sonora for the construction of Veranda Detention, Pond, Phase II based upon the Board's finding that the change order is beneficial to the District and the engineer's recommendations; (6) approve Pay Estimate No. 1 in the amount of \$311,912.44 payable to Lonnie Lischka, for construction of Veranda Detention Pond Phase III; and (7) authorize ABHR and Costello to follow up with FBC regarding the West Levee Extension project. Director Jacks seconded the motion, which passed unanimously.

DISCUSS 2019 TAX RATE, SET PUBLIC HEARING DATE AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Mr. Lentz discussed a debt service tax rate analysis recommending the District levy a 2019 total tax rate of \$0.50. He next reviewed projected maintenance and operations revenue for District operations at various tax rates. The Board discussed the proposed 2019 tax rate. After review and discussion, Director Savage moved to authorize the tax assessor/collector to publish notice in the *Fort Bend Herald* of a public hearing on September 23, 2019, regarding the Board's adoption of a 2019 total tax rate of \$0.50 per \$100 of assessed valuation, with \$0.375 allocated for debt service and \$0.125 allocated for operations and maintenance. Director Jacks seconded the motion, which passed unanimously.

LEGISLATIVE MATTERS

Ms. Lutz distributed and reviewed a report prepared by ABHR regarding legislative matters pertaining to the 86th Regular session of the Texas Legislature. A copy of the report is filed in the District's official records.

DISTRICT WEBSITE REVIEW

There was no update on the District website.

DEEDS AND EASEMENTS

Discussion ensued regarding a request received from a resident of MUD 187 for additional landscaping on District property near the Del Webb Lake in MUD 187. Following discussion, Director Savage moved to approve the residents request for additional landscaping, subject to Del Webb HOA approval of the District's Consent to Encroachment Policy ("CTE Policy") which states the Del Webb HOA is financially responsible for damage done to District property in the event MUD 187 residents request additional landscaping, at their own cost and direct that the resident refrain from planting additional landscaping until the CTE Policy has been recorded by FBC. Director Jacks seconded the motion, which passed by unanimous vote.

Ms. Lutz presented and reviewed a proposal for a Phase 1 Environmental Site Assessment for Veranda Ponds, Phase 2 from Berg Oliver Associates, Inc. ("BOA"), in the amount of \$3,150.00.

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

Ms. Lutz presented and reviewed a Special Warranty Deed ("Deed") from KB Home to the District for the conveyance of the Williams Ranch Detention Pond 1.

Following review and discussion, Director Savage moved to (1) approve the proposal from BOA, in the amount of \$3,150.00 for the Phase 1 Environmental Site

Assessment for Veranda Ponds, Phase 2; (2) authorize execution of the Assignment; (3) accept the Deed from KB Home for the Williams Ranch Detention Pond 1; and (4) and direct all referenced documents be filed appropriately and retained in the District's official records. Director Pochyla seconded the motion, which passed by unanimous vote.

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

Ms. Lutz reviewed an article from the Community Impact Paper regarding FBC Commissioners Court calling for an \$83,000,000 bond election, which will be dedicated to flood control projects. A copy of the article is attached.

ANNEXATION MATTERS

Ms. Lutz updated the Board on the potential annexation with HWY 589 Holdings, LLC ("HWY 589") of approximately 115.10-acre tract into the District. She reviewed a Petition for Addition of Certain Land and a Petition for Consent to Annex Land for the Tract. Mr. Dechert presented and reviewed a feasibility study for the HWY 589 tract. After review and discussion, Director Pochyla moved to (1) approve the feasibility study for the HWY 589 tract; (2) accept the Petition for Addition of Certain Land, subject to finalization by ABHR; (3) authorize execution of the Petition for Consent to Annex Land for the Tract, subject to finalization by ABHR; and (4) direct that all documents be filed appropriately and retained in the District's official records. Director Savage seconded the motion, which passed unanimously.

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 September 23, 2019, 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

(SEAL)



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