

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

December 2, 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 December 2, 2014 at the offices of Coats, Rose, Yale, Ryman & Lee, P.C., 9 Greenway Plaza, Suite 1100, 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; Debbie Arellano of Bob Leared Interests, the District's tax assessor/collector ("TAC"); Joe Mattingly of Champions Hydro-Lawn ("Champions"); Jason Klump of Stormwater Solutions ("SWS"), the District's Operator; Craig Kalkomey of Jones & Carter ("J&C"), the District's Engineer; John Cannon, attorney and Beth Van Doren, legal assistant, 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 November 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 November 4, 2014.

APPROVING TAX COLLECTOR'S REPORT

The Board recognized Ms. Arellano, who reported that as of November 30, 2014, 9.617% of the 2014 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 outlined an annual maintenance budget for the area around the storage building and pump station totaling \$5,910.00 annually, a copy of which is attached as Exhibit "C" to these minutes. He further noted that the \$125 fee for irrigation maintenance encompassed the entire irrigation system.

Mr. Mattingly also stated that the fall fertilization was completed in November. He noted that it was not necessary to mow in December. He also stated Champions was in the process of installing the barbed wire fence along a portion of the Maranatha subdivision.

Finally, the Board discussed removal of the vegetation and tree debris on the levee by homeowners or their yard services. The Board requested Mr. Mattingly to use Champions' wood chipper to assist with removal and requested that he track his expenses.

After discussion and upon motion by Director Lukin, seconded by Director Mazzo, the Board voted unanimously to approve the annual maintenance budget for the storage building and pump station.

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 November 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 per week and is continuing debris removal and good housekeeping measures. Quarterly maintenance on the generator was completed on October 20, 2014.

During a November rain event, SWS noted water seeping in at the back door and bay door of the storage building. SWS repaired and replaced the photocells at the pump station and tested all exterior lighting.

Alvin Contracting stated that they will honor their old quote to (1) paint/coat the four large flap gates, four large sluice gates, and two small discharge flap gates, and (2) sandblast and paint the valve box assembly in the valve box in the median of Commonwealth Boulevard and repair the upper brackets on the gate riser for \$11,297.00.

Finally, Mr. Klump requested authorization to purchase four 96" pallet racks and another computer table and to purchase the items shown on the list attached to his report to store in the storage building.

After discussion and upon a motion by Director Lukin, seconded by Director Mazzo, the Board voted unanimously to (i) approve the quote for \$11,297.00 for paint/coat the four large flap gates and other items from Alvin Contracting; (ii) purchase four 96" pallet racks, a computer table, and the other items proposed in the operators report except for a backpack blower and a backpack sprayer; and (iii) approve the operator's report as presented.

ENGINEER'S REPORT

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

Review proposed Capital Improvements Budget

Based on the November 4, 2014 Board Meeting, the capital improvements plan has been revised to include de-silting on only the culvert crossings along Commonwealth Boulevard.

Maintenance Building

As of December 1, the storage building and well house were complete, except for the irrigation system. The irrigation system should be completed by the end of the week.

As of this date, the Aqua Fence has been moved inside the maintenance building and the FloodSax and the UTV are scheduled to be moved inside within the next two weeks. J&C and SWS have produced a suggested storage layout, attached to the engineer's report, for the Board's review and comments.

Also included in the engineer's report, J&C provided proposals for the purchase of a gravity sandbagger and trailer, with 2,000 sand bags included for \$16,895.69 or with 8,000 sand bags included for \$18,371.58. After further discussion and upon motion by Director Lukin, duly seconded by Director Mazzo, the Board voted unanimously to authorize purchase of the gravity sandbagger and trailer with 8,000 sand bags for \$18,371.58.

MS4 Permitting

The District's waiver request is still awaiting review and approval from the TCEQ Team Leader. J&C will continue to work with the TCEQ as needed.

After discussion and upon motion by Director Lukin, duly seconded by Director Mazzo, the Board voted unanimously to approve the engineer's report.

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".

The Board noted that the Fort Bend County Flood Management Association invoiced the District for \$5,000.00. The Board noted that no agreement had been reached for services from the Fort Bend County Flood Management Association and requested the bookkeeper void the check.

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

The Board recognized Mr. Cannon who presented a letter written to the attorney of the Fort Bend County Municipal Utility District No. 46 ("MUD 46"), a copy of which is attached hereto as Exhibit "G". The letter addressed several deficiencies in the MUD 46 portion of the ring levee.

Discuss FBFMA issues and take any necessary actions

No action was taken on this matter.

Consider amending easement agreement with CenterPoint Energy

Next, Mr. Cannon presented an *Aerial Easement and Release of Easement* for the Board's review. He noted that this instrument is intended to correct a situation where one of CenterPoint's power lines does not lie fully within the corresponding easement as it is supposed to. Upon motion by Director Lukin, duly seconded by Director Frerich, after full discussion and the question being put to the Board, the Board voted unanimously to approve the *Aerial Easement and Release of Easement* with CenterPoint Energy, a copy of which is attached hereto as Exhibit "H".

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

PASSED, APPROVED and ADOPTED this 6th day of January, 2015.


Secretary, Board of Directors

(DISTRICT SEAL)

