

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7

Minutes of Meeting of Board of Directors
March 7, 2024

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 7 (the "District") met in regular session at the City Hall of the City of Sugar Land, Texas, 2700 Town Center Boulevard, Sugar Land, Fort Bend County, Texas, 77479, an official meeting place of the Board, on March 7, 2024, in accordance with the duly posted Notice of Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

Cindy Picazo, Chairman
Gerald Kazmierczak, Vice-Chairman
Nathan Bedee, Secretary
Susheem Mehta, Assistant Secretary
James R. Grotte, Director

and all of said persons were present, except Director Mehta, thus constituting a quorum.

Also present were: Phil Martin of Mike Stone Associates, Inc. ("MSA"); Kane Mudd of LJA Engineering, Inc. ("LJA"); Tyson Duncan and Daniel Walker of AECOM Technical Services, Inc. ("AECOM"); Brittany Keeswood of Assessment of the Southwest, Inc. ("ASW"); Michael Brooks of Levee Management Services, LLC ("LMS"); Rick Marriott of Si Environmental, LLC ("SE"); Angie Hartwell and Calep Estes of Touchstone District Services, LLC ("Touchstone"); Sherri Greenwood of FORVIS, LLP ("FORVIS"); Justin Klump of Storm Water Solutions ("SWS"); Tim Jahn of the City of Sugar Land Engineering Department; and Christopher Skinner of Schwartz, Page & Harding, L.L.P. ("SPH").

The Chairman called the meeting to order and declared it open for such business as might regularly come before the Board.

PUBLIC COMMENTS

The Board began by opening the meeting for public comments. No public comments were offered.

MINUTES

As the next order of business, the Board considered approving the draft minutes of the Board meetings held on February 1, 2024, and February 20, 2024. After discussion, Director Bedee moved to approve the draft minutes for said meetings. Director Kazmierczak seconded said motion, which carried unanimously.

TAX ASSESSOR-COLLECTOR REPORT

Ms. Keeswood next presented to and reviewed with the Board the Tax Assessor-Collector Report (the "TAC Report") for the period ended February 29, 2023, attached hereto as **Exhibit A**, including the disbursements presented for payment from the District's tax account and a list of delinquent taxpayers. After discussion, Director Bedee moved that the TAC Report be approved and that the disbursements identified therein be approved for payment from the District's tax account. Director Kazmierczak seconded said motion, which unanimously carried.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2024 TAX YEAR

Mr. Skinner reminded the Board that the procedures involved in setting an ad valorem tax rate each year applicable to a particular district will depend, in part, upon whether it is determined to be a "Developed District" pursuant to Texas Water Code Section 49.23602. Mr. Skinner then reviewed with the Board a worksheet completed by LJA to assist the Board in making this determination, along with a Resolution Concerning Developed District Status for the 2024 Tax Year (the "Resolution"). The Resolution is attached hereto as **Exhibit B**, which reflects that the District shall not be considered a "Developed District" for tax year 2024. Following discussion, upon motion made by Director Kazmierczak, seconded by Director Bedee and unanimously carried, the Resolution was adopted by the Board.

DELINQUENT TAX COLLECTIONS REPORT

Mr. Skinner reported that a Delinquent Tax Report was received this month from Perdue, Brandon, Fielder, Collins & Mott, LLP ("Perdue Brandon), the District's delinquent tax collection attorneys, a copy of which is attached hereto as **Exhibit C**, and advised that Perdue Brandon has requested Board authorization to transfer one (1) account totaling \$107.63 to the uncollectible roll, as listed on the Delinquent Tax Report. After discussion, Director Grotte moved to authorize Perdue Brandon to transfer said account totaling \$107.63 to the uncollectible roll. Director Bedee seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Greenwood presented to and reviewed with the Board a Bookkeeper's Report, dated March 7, 2024, prepared by FORVIS, attached hereto as **Exhibit D**. After discussion, Director Bedee moved that the Bookkeeper's Report be approved, and the checks and wires reviewed by the Board be authorized for payment, as discussed. Director Kazmierczak seconded said motion, which unanimously carried.

UNCLAIMED PROPERTY

The Board considered authorizing District consultants to research the District's accounts for unclaimed property and authorizing the District's bookkeeper to prepare an Unclaimed Property Report as of March 1, 2024. Mr. Skinner advised the Board that the District's consultants will review their records and provide the bookkeeper with a current listing of any unclaimed property

in the District's accounts for preparation of the Unclaimed Property Report. He further advised the Board that the District's bookkeeper will file the report with the Comptroller of Public Accounts of the State of Texas (the "Comptroller") and discharge any unclaimed funds to the Comptroller by July 1, 2024. After discussion, Director Kazmierczak moved that the consultants be authorized to provide current listings of any and all unclaimed property to the bookkeeper and that, should any unclaimed property exist, the bookkeeper be authorized to file an Unclaimed Property Report with the Comptroller. Director Bedee seconded said motion, which unanimously carried.

CRITICAL LOAD LIST

Mr. Skinner advised that state law requires the District to update its information identifying the location and description of facilities that have qualified for critical load status and its information regarding emergency contacts (a) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District and (b) immediately upon any change in the information to the above entities, as well as to the Office of Emergency Management of Fort Bend County, the Public Utility Commission of Texas, and the Division of Emergency Management of the office of the Governor of the State of Texas. Following discussion, Director Bedee moved to authorize LMS to provide information regarding emergency contacts (i) annually to each electric utility that provides transmission and distribution service to the District and each retail electric provider that sells power to the District and (ii) immediately upon any change in the information to the above entities, as well as to the Office of Emergency Management of Fort Bend County, the Public Utility Commission of Texas, and the Division of Emergency Management of the Office of the Governor of the State of Texas. Director Kazmierczak seconded said motion, which unanimously carried.

DISCUSSION REGARDING RENEWAL OF DISTRICT INSURANCE POLICIES

The Board considered the renewal of the District's insurance policies scheduled to expire on March 31, 2024. In connection therewith, Mr. Skinner presented to and reviewed with the Board renewal proposals from Arthur J. Gallagher & Co. ("Gallagher") and McDonald & Wessendorff Insurance Co. After discussion, Director Kazmierczak moved that the Board accept the proposal from Gallagher for all policies as set forth in the proposal attached hereto as **Exhibit E**, and SPH be authorized to acknowledge receipt of Gallagher's Texas Ethics Commission ("TEC") Form 1295 with the TEC. Director Bedee seconded the motion, which carried unanimously.

FINANCIAL MANAGEMENT PLAN

It was noted this matter would be discussed under Capital Improvements Projects later in the meeting.

STORM WATER MANAGEMENT PLAN ("SWMP")

Mr. Klump next presented to the Board the District's Phase II (Small) MS4 Annual Report (the "Year Five Report"), a copy of which is attached hereto as **Exhibit F**. Mr. Klump also presented to and reviewed with the Board a handout, attached hereto as **Exhibit G**, detailing the

District's proposed public training measures and permit goals for Year 5 of the District's Storm Water Management Plan. After discussion, Director Bedee moved to (i) approve the Year Five Report and authorize the Chairman to execute same on behalf of the Board and the District, and (ii) authorize SWS to file same with the Texas Commission on Environmental Quality by March 31, 2024. Director Kazmierczak seconded said motion, which carried unanimously.

STATUS OF NATIONAL FLOOD INSURANCE PROGRAM COMMUNITY RATING FOR NEW TERRITORY

The Board deferred discussion regarding the status of National Flood Insurance Program Community Rating for New Territory.

OPERATIONS AND MAINTENANCE REPORTS

Mr. Brooks presented to and reviewed with the Board a written Operations and Maintenance Report dated March 7, 2024 attached hereto as **Exhibit H**, regarding maintenance performed on levee and drainage facilities throughout the District.

Mr. Marriott presented to and reviewed with the Board the Operations Report for the month of February 2024, attached hereto as **Exhibit I**, relative to the District's Reclaimed Water System.

CAPITAL IMPROVEMENTS PROJECTS

Ms. Cox next presented to and discussed with the Board the General Manager's Report dated March 7, 2024, attached hereto as **Exhibit J**. Regarding the Brazos River Bank Erosion Control Project (the "River Erosion Project"), following discussion, Director Kazmierczak moved to approve Pay Estimate No. 6 in the amount of \$2,964,561.77 from Texas Dewatering, as recommended by MSA and AECOM. Director Bedee seconded said motion, which unanimously carried.

Regarding the construction of the additional Stormwater Pump Station in the Crescent Ridge subdivision (the "Stormwater Pump Station Project"), Mr. Mudd presented to and discussed with the Board the Engineering Report dated March 7, 2024, attached hereto as **Exhibit K**. Following discussion, Director Kazmierczak moved to approve Pay Estimate No. 19 in the amount of \$196,193.70 from NBG Constructors, Inc. for the Stormwater Pump Station Project, as recommended by LJA. Director Bedee seconded said motion, which unanimously carried.

Regarding the Detention and Drainage Improvements and Facilities project, following discussion, Director Kazmierczak moved to approve Pay Estimate No. 2 from Harris Construction, LLC in the amount of \$573,753.78, as recommended by LJA. Director Bedee seconded said motion, which unanimously carried.

ATTORNEY'S REPORT

The Board next considered the attorney's report. In connection therewith, Mr. Skinner reported that the District received the 5th Year Arbitrage Compliance Computation Report relative to the District's \$12,150,000 Unlimited Tax Levee Improvement Bonds, Series 2018, attached

hereto as **Exhibit L**. He advised the Board that, based on the report, the District does not owe any rebate or yield reduction payment and that no filing is required at this time.

WEBSITE AND COMMUNICATION MATTERS

Ms. Hartwell presented to and reviewed with the Board Touchstone's Communications Report attached hereto as **Exhibit M**.

SUPPLEMENTAL AGENDA

The Board considered cancellation of the Directors Election called for May 4, 2024. Mr. Skinner advised that, in accordance with Subchapter C, Chapter 2 of the Texas Election Code, the District may cancel the Directors Election if each candidate whose name is to appear on the ballot and/or has registered as a write-in candidate is unopposed as of 5:00 p.m. on February 20, 2024. In such case, the Board may declare the unopposed candidates to be elected. In that regard, there was presented to the Board a certificate of the Secretary declaring all candidates unopposed. Mr. Skinner then presented and reviewed the Order Declaring Candidates Elected, attached hereto as **Exhibit N**. After discussion, Director Kazmierczak moved that the Order be adopted by the Board declaring James R. Grotte and Susheem Mehta elected Directors of the District, each to serve a term of four years or until a successor is duly elected or appointed, that the Chairman be authorized to execute and the Secretary to attest same on behalf of the Board and the District, and that the Directors Election called for May 4, 2024, be cancelled. Director Bedee seconded said motion, which unanimously carried.

CLOSED SESSION

The Chairman announced at 6:40 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code Sections 551.071 and 551.072. Those in attendance, with the exception of the Board, Mr. Skinner, and Mr. Martin exited at this time.

The Board reconvened in Regular Session at 7:12 p.m.

FUTURE AGENDA ITEMS

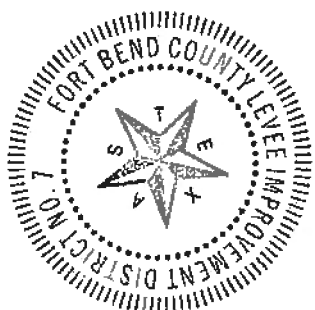
The Board considered items for placement on future agendas.

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Bedee, seconded by Director Kazmierczak and carried unanimously, the meeting was adjourned.



Secretary
Board of Directors



LIST OF ATTACHMENTS TO MINUTES

- EXHIBIT A Tax Assessor/Collector Report
- EXHIBIT B Delinquent Tax
- EXHIBIT C Resolution Concerning Developed District Status For 2024 Tax Year
- EXHIBIT D Bookkeeper's Report
- EXHIBIT E Accepted Insurance Proposal
- EXHIBIT F Phase II MS4 Annual Report
- EXHIBIT G Handout regarding Year 5 SWMP Goals
- EXHIBIT H LMS Operation and Maintenance Report
- EXHIBIT I SE Operations Report
- EXHIBIT J MSA Report
- EXHIBIT K LJA Engineering
- EXHIBIT L Communications Report
- EXHIBIT M 5th Year Arbitrage Compliance Computation Report relative to the District's \$12,150,000 Unlimited Tax Levee Improvement Bonds, Series 2018
- EXHIBIT N Order Declaring Candidates Elected