

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7

Minutes of Special Meeting of Board of Directors
January 6, 2026

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 7 (the "District") met in special session at 445 Commerce Green Blvd, Sugar Land, Fort Bend County, Texas 77478, an official meeting place of the Board, on January 6, 2026, in accordance with the duly posted Notice of Special Public Meeting, and the roll was called of the duly constituted officers and members of the Board, as follows:

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

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

Also present were: Phil Martin and Caitlyn Cox of Guideline Management Services, Inc. ("GMS"); Craig Kalkomey of LJA Engineering, Inc. ("LJA"); Tyson Duncan of AECOM Technical Services, Inc. ("AECOM"); Cameron Brown of Assessments of the Southwest, Inc. ("ASW"); Michael Brooks of Levee Management Services, LLC ("LMS"); Rick Marriott of Si Environmental, LLC ("SE"); Calep Estes of Touchstone District Services, LLC ("Touchstone"); Tina Tran of Forvis Mazars, LLP ("FM"); Justin Klump of Storm Water Solutions ("SWS"); Todd Kelly, Executive Director of the New Territory Residential Community Association, Inc. ("NTRCA"); and Christopher Skinner of Schwartz, Page & Harding, L.L.P. ("SPH").

In the absence of the Chairman, the Vice 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 members of the public were present at the meeting.

MINUTES

As the next order of business, the Board considered approving the draft minutes of the Board meeting held on December 4, 2025. After discussion, it was moved by Director Bedee, seconded by Director Mehta and unanimously carried, that the draft minutes for the December 4, 2025 meeting be approved, as written.

ELECTION OF OFFICERS OF BOARD OF DIRECTORS

The next item to be considered was the election of officers of the Board.

The Board first considered nominations for the office of Chairman. Director Kazmierczak was nominated for that office, and there being no further nominations, they were closed. A vote was called, and upon motion duly made by Director Grotte, seconded by Director Bedee and unanimously carried, Director Kazmierczak was duly elected Chairman of the Board and the District.

The Board next considered nominations for the office of Vice Chairman. Director Bedee was nominated for that office, and there being no further nominations, they were closed. A vote was called, and upon motion duly made by Director Grotte, seconded by Director Bedee and unanimously carried, Director Bedee was duly elected Vice Chairman of the Board and the District.

The Board next considered nominations for the office of Secretary. Director Mehta was nominated for that office, and there being no further nominations, they were closed. A vote was called, and upon motion duly made by Director Grotte, seconded by Director Bedee and unanimously carried, Director Mehta was duly elected Secretary of the Board and the District.

The Board next considered nominations for the office of Assistant Secretary. Director Grotte was nominated for that office, and there being no further nominations, they were closed. A vote was called, and upon motion duly made by Director Grotte, seconded by Director Bedee and unanimously carried, Director Grotte was duly elected Assistant Secretary of the Board and the District.

DESIGNATION OF INVESTMENT OFFICER; ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER

In connection with the resignation of Cindy Picazo, who served as the District's Investment Officer as well as Chairman, Mr. Skinner presented to and reviewed with the Board an amended Order Establishing Policy for Investment of District Funds and Appointing Investment Officer (the "Order"), which is attached hereto as **Exhibit A**. Mr. Skinner noted that the Order appoints Director Grotte as the Investment Officer for the District. After discussion, Director Bedee moved that the amended Order be approved to reflect the proposed changes as discussed, that the Chairman and Secretary be authorized to execute the amended Order on behalf of the Board and the District. Director Mehta seconded said motion, which unanimously carried.

AUDIT FOR FISCAL YEAR ENDED AUGUST 31, 2025

The Board deferred consideration of the review and approval of the District's audit report for the fiscal year ended August 31, 2025, pending completion of said audit report by McCall Gibson Swedlund Barfoot PLLC ("McCall"), the District's auditors.

CONTINUING DISCLOSURE

Mr. Skinner advised the Board that the annual continuing disclosure report related to the District's outstanding bonds will be timely completed and filed upon the completion of the District's audit by McCall, Parkhurst & Horton LLP, the District's disclosure counsel.

TAX ASSESSOR-COLLECTOR REPORT

Mr. Brown next presented to and reviewed with the Board the Tax Assessor-Collector Report (the "TAC Report") for the period ended December 31, 2025, which report is attached hereto as **Exhibit B**, including the disbursements presented for payment from the District's tax account, and a list of delinquent taxpayers. After discussion, it was moved by Director Bedee, seconded by Director Kazmierczak and unanimously carried, that the TAC Report be approved and the disbursements identified therein be approved for payment from the District's tax account.

EXEMPTIONS FROM TAXATION

Mr. Skinner outlined for the Board the various tax exemptions available for the District, including the exemptions provided for by Article VIII, Section 1-b of the Texas Constitution, and Section 11.13 of the Tax Code, as amended. He advised that under said provisions, the District may provide for the exemption of up to 20% (but not less than \$5,000, if granted) of the appraised value of residential homestead improvements for the year 2026, and the District may also exempt residential homesteads of persons who are under a disability for purposes of payment of disability insurance benefits under the Federal Old Age, Survivors and Disability Insurance Act, or its successor, or persons sixty-five years of age or older from ad valorem taxes levied by the District during the calendar year 2026, and, if any such exemptions are granted, they must be for not less than \$3,000 of the appraised value of such homesteads. He stated that the District has previously adopted a \$5,000 tax exemption for disabled persons and those persons 65 years of age and older. After further discussion of the matter, it was moved by Director Grotte, seconded by Director Kazmierczak and unanimously carried, that the District: (i) not grant the general residential homestead exemption, and (ii) grant an exemption for persons under a disability or sixty-five years of age or older in the amount of \$5,000 from ad valorem taxes levied by the District during the calendar year 2026, and that the resolution attached hereto as **Exhibit C** relative to same be approved and adopted by the Board and the District.

RESOLUTION AUTHORIZING AN ADDITIONAL PENALTY ON DELINQUENT PERSONAL PROPERTY TAXES

The Board considered the adoption of a Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes, a copy of which resolution is attached hereto as **Exhibit D**. Mr. Skinner advised that the Board is authorized, pursuant to Section 33.11 of the Texas Tax Code, as amended, to impose, under certain conditions, 60 days after the date the taxes become delinquent, an additional penalty not to exceed twenty percent (20%) of the total taxes, penalty and interest due the District on personal property taxes that remain delinquent as of said 60th day, as more fully described in the resolution. After discussion, it was moved by Director Kazmierczak, seconded by Director Bedee and unanimously carried, that the Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes be adopted by the Board, and that the District's delinquent tax attorneys be authorized to proceed with the collection of the District's 2025 delinquent personal property accounts following proper notice as provided in the resolution, including the filing of lawsuits, as necessary.

DELINQUENT TAX COLLECTIONS REPORT

The Board deferred consideration of the Delinquent Tax Report from Perdue, Brandon, Fielder, Collins & Mott L.L.P. Mr. Skinner informed the Board that the report is presented quarterly.

BOOKKEEPER'S REPORT

Ms. Tran presented to and reviewed with the Board the Bookkeeper's Report, dated January 6, 2026, prepared by FM; the report is attached hereto as **Exhibit E**. After discussion, it was moved by Director Bedee, seconded by Director Kazmierczak and unanimously carried that the Bookkeeper's Report be approved, and the checks and wires reviewed by the Board be authorized for payment.

DISCUSSION REGARDING RENEWAL OF DISTRICT INSURANCE POLICIES

Mr. Skinner reported to the Board that the District's current insurance policies brokered through McDonald & Wessendorff Insurance ("MW") will expire on March 31, 2026. He informed the Board that other insurance companies provide such policies to districts and inquired as to whether the Board wished to solicit proposals for insurance coverage from other companies to review prior to the expiration of the current policies. After discussion, it was moved by Director Kazmierczak, seconded by Director Bedee and unanimously carried, that SPH obtain a renewal proposal for the District's insurance policies scheduled to expire March 31, 2026, from MW for the Board's review at the next regular Board meeting.

SPECIAL PURPOSE DISTRICT PUBLIC INFORMATION DATABASE

Mr. Skinner next informed the Board that, pursuant to provisions of Chapter 403, Government Code, and Chapter 203, Local Government Code, the District is required to submit information to the Texas Comptroller of Public Accounts (the "Comptroller") for inclusion in a Special Purpose District Public Information Database. Mr. Skinner recommended the Board consider engaging the District's auditor, McCall, to prepare and submit the required information to the Comptroller for inclusion in the Special Purpose District Public Information Database. After discussion, it was moved by Director Bedee, seconded by Director Kazmierczak and unanimously carried, that McCall be engaged to prepare the required information and submit same to the Comptroller for inclusion in the Special Purpose District Public Information Database.

FINANCIAL MANAGEMENT PLAN

It was noted this matter would be discussed further 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 Seven 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 7 of the District's Storm Water Management Plan. After discussion, it was moved by Director Bedee, seconded by Director Mehta and unanimously carried, that the Board (i) approve the Year Seven Report and authorize the Chairman to execute same on behalf of the Board and the District, (ii) authorize SWS to file same with the Texas Commission on Environmental Quality by March 31, 2026, and (iii) authorize posting the public education information and stormwater survey to the District's website.

STATUS OF NATIONAL FLOOD INSURANCE PROGRAM COMMUNITY RATING FOR NEW TERRITORY

Mr. Kalkomey reported on the status of National Flood Insurance Program Community Rating for New Territory.

FORT BEND LEVEE COALITION

Mr. Martin reported on the status of activities of the Fort Bend Levee Coalition.

ADOPTION OF RISK ASSESSMENT PROGRAM

The Board deferred consideration of adoption of a Risk Assessment Program until its next regular meeting.

RESOLUTION FOR APPROVAL OF FORT BEND CENTRAL APPRAISAL DISTRICT REAL ESTATE ACQUISITION AT 13135 DAIRY ASHFORD ROAD, SUGAR LAND, TEXAS

The Board deferred consideration of approval of a Resolution For Approval of Fort Bend Central Appraisal District Real Estate Acquisition at 1315 Dairy Ashford Road, Sugar Land, Texas, until its next regular meeting.

AGREEMENT TO ACCEPT DONATION OF REAL PROPERTY WITH TEXAS TRANSPORTATION COMMISSION ("TXDOT"); DRAINAGE EASEMENT

The Board next considered approval of an Agreement to Accept Donation of Real Property with TxDOT, a copy of which is attached hereto as **Exhibit H**, and approval of the related Drainage Easement to TxDOT. After discussion, it was moved by Director Grotte, seconded by Director Bedee and unanimously carried, that the Board (i) approve the Agreement to Accept Donation of Real Property with TxDOT, (ii) approve the Drainage Easement related to said Agreement, and (iii) authorize the Chairman to execute said Agreement and Drainage Easement on behalf of the Board and the District.

OPERATIONS AND MAINTENANCE REPORTS

Mr. Brooks presented to and reviewed with the Board a written Operations and Maintenance Report dated January 6, 2026, attached hereto as **Exhibit I**, regarding maintenance performed on levee, pump station and drainage facilities throughout the District.

Mr. Marriott presented to and reviewed with the Board a written Operations Report prepared by SE for the month of December 2025, relative to the District's Reclaimed Water System. A copy of such Operations Report is attached hereto as **Exhibit J**. Mr. Marriott then reported that SE has responded to a violation notice from the Texas Commission on Environmental Quality relative to daily flow limits at the District's Reclaimed Water Plant, and discussed same in detail with the Board.

CAPITAL IMPROVEMENTS PROJECTS

Mr. Martin presented to and discussed with the Board the General Manager's Report dated January 6, 2026, attached hereto as **Exhibit K**. Regarding the Sports Field Project, after discussion, it was moved by Director Bedee, seconded by Director Grotte and unanimously carried, that the Board approve Pay Application No. 5 in the amount of \$1,904,042.34 from Hellas Construction, Inc.

Mr. Kalkomey next presented to and reviewed with the Board an Engineering Report dated January 6, 2026, prepared by LJA; said report is attached hereto as **Exhibit L**.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. In connection therewith, Mr. Skinner advised that he had nothing further of a legal nature to discuss with the Board at this time.

MATTERS RELATED TO MAY 2, 2026 DIRECTORS ELECTION

Mr. Skinner reported on issues related to the District's Directors Election (the "Election") to be held on May 2, 2026. In connection therewith, Mr. Skinner presented to and discussed with the Board a memorandum prepared by SPH, a copy of which is attached hereto as **Exhibit M**, regarding participation in the joint election with Fort Bend County (the "County"). In connection therewith, Mr. Skinner advised that the County will administer the Election if the District participates in the County's joint election. After discussion, it was moved by Director Grotte, seconded by Director Bedee and unanimously carried, that SPH be authorized to ratify the Board's prior approval in all respects, including notifying the County of the District's intent to participate in the joint Election.

WEBSITE AND COMMUNICATION MATTERS

Mr. Estes presented to and reviewed with the Board Touchstone's Communications Report attached hereto as **Exhibit N**.

SUPPLEMENTAL AGENDA

The Board next considered calling the Election in accordance with the requirements of the Texas Water Code. In connection therewith, Mr. Skinner presented the Order Calling Directors Election (the "Order") attached hereto as **Exhibit O** calling the Election to be held on May 2, 2026. It was noted that the terms of office of Directors Kazmierczak and Bedee expire in May of this year. In reviewing the Order with the Board, Mr. Skinner advised that the Order provides for the

conduct of the Election by the County, jointly with elections of other political subdivision, using County election officials, voting equipment, and polling locations at a shared expense. He advised that, although the County will conduct the Election, the Texas Water Code and the Texas Election Code authorize the Board to designate an agent to perform certain duties in connection with the Election, and that the Order named Jenny Johnson as such agent (the "Election Agent"). Mr. Skinner further advised the Board that notice of the Election must be given in accordance with the requirements of the Texas Election Code. Mr. Skinner advised the Board that notice of the Election could be given by one or more of the following methods: (i) publishing the notice in a newspaper published in the territory of the District or of general circulation in the District at least ten (10) days before the election, but not more than thirty (30) days before the election, (ii) posting the notice at a public place in each County election precinct that overlaps the District at least twenty-one (21) days before the election, or (iii) mailing the notice to each registered voter in the District at least ten (10) days before the election. He further advised that, in addition to the above, notice must be posted on the District's website at least twenty-one (21) days before the election. After discussion of the options, the Board concurred that notice of the Election be given by posting same at a public place in each County election precinct that overlaps the District and on the District's website. Mr. Skinner also noted that the County will determine the compensation paid to the County election officials. After discussion on the matter, it was moved by Director Grotte, seconded by Director Bedee and unanimously carried, that said Order be passed and adopted, that the Chairman and Secretary be authorized to execute the Order, and that the Election Agent be authorized and directed to make necessary arrangements for the Election in accordance with the Order. Mr. Skinner advised the Board that if each candidate whose name is to appear on the ballot is unopposed as of 5:00 p.m. on February 20, 2026, the Board may thereafter cancel the Election in accordance with the Texas Election Code.

CLOSED SESSION

The Chairman announced at 6:55 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code Sections 551.071. Those in attendance, with the exception of the Board, Mr. Kalkomey, Mr. Martin and Mr. Skinner exited at this time.

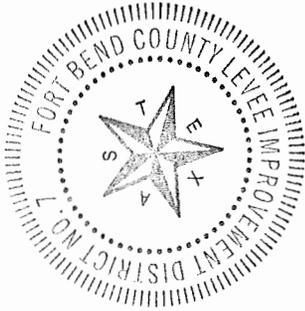
The Board reconvened in Regular Session at 7:10 p.m. No action was taken by the Board with respect to the matters discussed in Closed Session.

FUTURE AGENDA ITEMS

The Board considered items for placement on future agendas. The Board did not request any items be placed on future agendas other than those already discussed and regular and on-going items.

ADJOURNMENT

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



S. P. Melton

Secretary
Board of Directors

LIST OF ATTACHMENTS TO MINUTES

- EXHIBIT A Order Establishing Policy for Investment of District Funds and Appointing Investment Officer
- EXHIBIT B Tax Assessor/Collector Report
- EXHIBIT C Resolution Concerning Exemptions from Taxation
- EXHIBIT D Resolution Authorizing an Additional Penalty on Delinquent Personal Property Taxes
- EXHIBIT E Bookkeeper's Report
- EXHIBIT F Phase II MS4 Annual Report
- EXHIBIT G Handout regarding Year 7 SWMP Goals
- EXHIBIT H Agreement to Accept Donation of Real Property
- EXHIBIT I LMS Operation and Maintenance Report
- EXHIBIT J SE Operations Report
- EXHIBIT K GMS Report
- EXHIBIT L LJA Report
- EXHIBIT M Memorandum regarding Joint Directors Election with Fort Bend County
- EXHIBIT N Communications Report
- EXHIBIT O Order Calling Directors Election