

## **FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7**

Minutes of Meeting of Board of Directors  
January 2, 2025

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 7 (the "District") met in regular session at 445 Commerce Green Blvd, Sugar Land, Fort Bend County, Texas 77478, an official meeting place of the Board, on January 2, 2025, 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 Kazmierczak, thus constituting a quorum.

Also present were: Phil Martin and Caitlin Cox of Mike Stone Associates, Inc. ("MSA"); Craig Kalkomey and Kane Mudd of LJA Engineering, Inc. ("LJA"); Jeff Masek of AECOM Technical Services, Inc. ("AECOM"); Rhonda Gideon of Assessment of the Southwest, Inc. ("ASW"); Jeff Perry of Levee Management Services, LLC ("LMS"); Rick Marriott of Si Environmental, LLC ("SE"); Calep Estes and Daenon Russell of Touchstone District Services, LLC ("Touchstone"); Tina Tran of Forvis Mazars, LLP ("FM"); Michael Walker, Executive Director of the New Territory Residential Community Association, Inc. ("NTRCA"); Bill Rickert, a member of the public and resident of the District; 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. Mr. Walker reported on activities of the NTRCA.

### **MINUTES**

As the next order of business, the Board considered approving the draft minutes of the Board meetings held on December 5, 2024, and December 17, 2024. After discussion, Director Bedee moved to approve the draft minutes for the December 5, 2024, and December 17, 2024, meetings, as written. Director Mehta seconded said motion, which carried unanimously.

## **AUDIT FOR FISCAL YEAR ENDED AUGUST 31, 2024**

The Board deferred consideration of the review and approval of the District's audit report for the fiscal year ended August 31, 2024, pending completion of said audit report by McCall Gibson Swedlund Barfoot PLLC, 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**

Ms. Gideon next presented to and reviewed with the Board the Tax Assessor-Collector Report (the "TAC Report") for the period ended December 31, 2024, 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 the disbursements identified therein be approved for payment from the District's tax account. Director Grotte seconded said motion, which unanimously carried.

## **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 2025, 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 2025, 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, Director Grotte moved 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 2025, and that the resolution attached hereto as **Exhibit B** relative to same be approved and adopted by the Board and the District. Director Bedee seconded said motion, which carried unanimously.

## **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 C**.

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 Grotte, 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 2024 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 a Bookkeeper's Report, dated January 2, 2025, prepared by FM, 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 Picazo seconded said motion, which unanimously carried.

### **DISCUSSION REGARDING RENEWAL OF DISTRICT INSURANCE POLICIES**

Mr. Skinner reported to the Board that the District's current insurance policies brokered through Arthur J. Gallagher & Co. ("Gallagher") will expire on March 31, 2025. 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, Director Bedee moved that SPH obtain a renewal proposal for the District's insurance policies scheduled to expire March 31, 2025, from Gallagher for the Board's review at the next regular Board meeting. Director Picazo seconded said motion, which unanimously carried.

### **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 Gibson Swedlund and Barfoot, PLLC ("McCall") to prepare and submit the required information to the Comptroller for inclusion in the Special Purpose District Public Information Database. Following discussion, Director Bedee moved, Director Picazo seconded, and it was 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.

### **COVERED APPLICATIONS AND PROHIBITED TECHNOLOGY POLICY**

The Board considered the adoption of an Order Establishing Policy for Covered Applications and Prohibited Technology ("Technology Policy"), a copy of which is attached hereto as **Exhibit E**. Mr. Skinner advised that Senate Bill 1893, as passed during the 88<sup>th</sup> Regular Session, requires that all political subdivisions of the state, including the District, adopt a policy that prohibits the installation of certain social media applications, defined as "covered applications", on electronic devices owned or leased by the District. Mr. Skinner noted that the social media application TikTok and any other software owned by ByteDance Limited are considered covered applications and may not be installed or used on a District owned or leased device. Mr. Skinner further advised that the proposed Technology Policy mirrors the model policy created for governmental entities created by the Texas Department of Information Resources ("DIR"), and will be updated as needed to comply with the recommendations of DIR. After discussion on the matter, Director Bedee moved that the Technology Policy be adopted, the District's consultants and employees, as applicable, be authorized to implement same, and that the President and Secretary be authorized to execute the same. Director Picazo seconded said motion, which unanimously carried.

### **FINANCIAL MANAGEMENT PLAN**

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

### **STORM WATER MANAGEMENT PLAN ("SWMP")**

The Board deferred consideration of any matters related to the District's Storm Water Management Plan.

### **STATUS OF NATIONAL FLOOD INSURANCE PROGRAM COMMUNITY RATING FOR NEW TERRITORY**

Mr. Martin 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.

### **OPERATIONS AND MAINTENANCE REPORTS**

Mr. Perry presented to and reviewed with the Board a written Operations and Maintenance Report dated January 2, 2025, attached hereto as **Exhibit F**, regarding maintenance performed on levee and drainage facilities throughout the District. He discussed with the Board an estimate to de-silt the external channel drainage channel bottom, which the Board took under advisement.

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Mr. Marriott presented to and reviewed with the Board written Operations Report for the month of December 2024, relative to the District's Reclaimed Water System prepared by SE. A copy of such Operations Report is attached hereto as **Exhibit G**.

Mr. Marriott exited the meeting at this time.

### **CAPITAL IMPROVEMENTS PROJECTS**

Mr. Martin next presented to and discussed with the Board the General Manager's Report dated January 2, 2025, attached hereto as **Exhibit H**.

Mr. Mudd next presented to and reviewed with the Board an Engineering Report dated January 2, 2025, prepared by LJA, attached hereto as **Exhibit I**.

### **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.

### **WEBSITE AND COMMUNICATION MATTERS**

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

### **CLOSED SESSION**

The Chairman announced at 6:22 p.m. that the Board would convene in Closed Session pursuant to Texas Government Code Section 551.071. 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 6:48 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 Grotte and carried unanimously, the meeting was adjourned.



  
Secretary  
Board of Directors

**LIST OF ATTACHMENTS TO MINUTES**

- EXHIBIT A Tax Assessor/Collector Report
- EXHIBIT B Resolution Concerning Exemptions From Taxation
- EXHIBIT C Resolution Authorizing An Additional Penalty on Delinquent Personal Property Taxes
- EXHIBIT D Bookkeeper's Report
- EXHIBIT E Order Establishing Policy for Covered Applications and Prohibited Technology
- EXHIBIT F LMS Operation and Maintenance Report
- EXHIBIT G SE Operations Report
- EXHIBIT H MSA Report
- EXHIBIT I LJA Engineering
- EXHIBIT J Communications Report