

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7

Minutes of Meeting of Board of Directors
February 1, 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 February 1, 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 Picazo, thus constituting a quorum.

Also present were: Caitlin Cox of Mike Stone Associates, Inc. ("MSA"); Kane Mudd of LJA Engineering, Inc. ("LJA"); Tyson Duncan of AECOM Technical Services, Inc. ("AECOM"); Brittany Keeswood of Assessment of the Southwest, Inc. ("ASW"); Jeff Perry and 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"); Josh Rambo of McCall, Gibson, Swedlund, Barfoot, PLLC ("McCall"); Michael Walker, Executive Director of the New Territory Residential Community Association, Inc. ("NTRCA"); Tim Jahn of the City of Sugar Land Engineering Department; and Christopher Skinner and Matthew Reed 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 public comments were offered.

MINUTES

As the next order of business, the Board considered approving the draft minutes of the Board meetings held on January 4, 2024, and January 16, 2024. After discussion, Director Bedee moved to approve the draft minutes for said meetings. Director Kazmierczak seconded said motion, which carried unanimously.

AUDIT FOR FISCAL YEAR ENDED AUGUST 31, 2023

The Board considered the review and approval of the District's audit report for the fiscal year ended August 31, 2023. In connection therewith, Mr. Rambo presented to and reviewed with the Board a draft of the District's audit report, attached hereto as **Exhibit A**. He also presented the Board with a draft Management Letter prepared by McCall concerning the Board's internal controls over financial reporting (the "Management Letter"), which is included in **Exhibit A**. Mr. Rambo advised the Board that the Management Letter is being submitted in connection with the requirements of Statement on Auditing Standards No. 115. Mr. Skinner further discussed the Management Letter with the Board and a proposed response to same on behalf of the Board and the District (the "Management Response") to be included in the final Management Letter. After discussion concerning the draft audit report presented, it was moved by Director Kazmierczak, seconded by Director Bedee and unanimously carried, that (i) the audit report for the fiscal year ended August 31, 2023, be approved, subject to review and comments regarding same from Directors and the consultants of the District, (ii) the Management Response be approved as presented and forwarded to MGSB for inclusion in the final Management Letter; and (iii) such audit report be filed with the appropriate governmental authorities, including the Texas Commission on Environmental Quality.

CONTINUING DISCLOSURE

The Board considered approval of an Annual Financial and Operating Report pursuant to SEC Rule 15c2-12 relative to the District's Series 2014, Series 2015, Series 2018, Series 2020, and Series 2022 Bonds (the "Annual Report"). In connection therewith, Mr. Skinner presented correspondence dated January 9, 2024, from Ms. Jana Cogburn of McCall, Parkhurst & Horton L.L.P. ("MPH"), the District's disclosure counsel, evidencing MPH's intentions to file the Annual Report with the appropriate agencies. A copy of the Annual Report is attached hereto as **Exhibit B**. After discussion on the matter, Director Kazmierczak moved that, subject to MPH's and the District's consultant's final review of the Annual Report and any comments thereto, the Annual Report be approved and that MPH be authorized to file same with the appropriate repositories. Director Bedee seconded said motion, which unanimously carried.

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 January 31, 2023, attached hereto as **Exhibit C**, 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

The Board deferred consideration of the Resolution Concerning Developed District Status for the 2024 Tax Year pending LJA's completion of the related worksheet to assist the Board in

determining whether it is a “Developed District” pursuant to Texas Water Code Section 49.23602.

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. Greenwood presented to and reviewed with the Board a Bookkeeper's Report, dated February 1, 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.

ANNUAL REVIEW OF SURVEY OF WAGE RATE SCALES AND ADOPTION OF RESOLUTION ADOPTING PREVAILING WAGE RATE SCALE FOR CONSTRUCTION PROJECTS

The Board next considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Skinner reported that SPH is recommending that the District continue to adopt the wage rates as determined by the United States Department of Labor (“DOL”) related to Fort Bend County (the “County”). After discussion on the matter, Director Bedee moved that said DOL wage rate scale be adopted as the District’s prevailing wage rate scale for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects, attached hereto as **Exhibit E**, be adopted by the Board. Director Kazmierczak seconded said motion, which unanimously carried.

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board deferred consideration of proposals for the District's insurance policies scheduled to expire March 31, 2024, from Arthur J. Gallagher and McDonald & Wessendorff Insurance Co. pending receipt of said proposals.

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

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

OPERATIONS AND MAINTENANCE REPORTS

Mr. Perry presented to and reviewed with the Board a written Operations and Maintenance Report dated February 1, 2024 attached hereto as **Exhibit F**, 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 January 2024, attached hereto as **Exhibit G**, 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 February 1, 2024, attached hereto as **Exhibit H**. Regarding the Brazos River Bank Erosion Control Project (the "River Erosion Project"), following discussion, Director Kazmierczak moved to approve Pay Estimate No. 5 in the amount of \$695,838.78 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 February 1, 2024, attached hereto as **Exhibit I**. Following discussion, Director Kazmierczak moved to approve Pay Estimate No. 18 in the amount of \$439,552.27 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 Bedee moved to (i) approve Pay Estimate No. 1 from Harris Construction, LLC in the amount of \$70,650.00, as recommended by LJA, and (ii) approve the Flood Application Affidavit for the Texas Water Development Board and authorize the Chairman or Vice Chairman to execute same on behalf of the Board and the District. Director Kazmierczak seconded said motion, which unanimously carried.

Mr. Skinner reported that the Settlement Agreement with Ms. Kelley has been executed by all parties and the transaction closed in connection with the District's acquisition of her property for the planned Detention and Drainage Improvements and Facilities.

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

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

CLOSED SESSION

The Board concurred that a Closed Session would not be required in connection with the matters discussed at the meeting.

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 Kazmierczak, seconded by Director Bedee and carried unanimously, the meeting was adjourned.



A handwritten signature in black ink, appearing to be "M. Bedee", written over a horizontal line.

Secretary
Board of Directors

LIST OF ATTACHMENTS TO MINUTES

- EXHIBIT A Draft Audit Report
- EXHIBIT B Annual Financial and Operating Report pursuant to SEC Rule 15c2-12
- EXHIBIT C Tax Assessor/Collector Report
- EXHIBIT D Bookkeeper's Report
- EXHIBIT E Resolution Adopting Prevailing Wage Rate Scale for Construction Projects
- EXHIBIT F LMS Operation and Maintenance Report
- EXHIBIT G SE Operations Report
- EXHIBIT H MSA Report
- EXHIBIT I LJA Engineering
- EXHIBIT J Communications Report