

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7

Minutes of Meeting of Board of Directors
August 1, 2024

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 August 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, thus constituting a quorum.

Also present were: Phil Martin and Caitlyn Cox of Mike Stone Associates, Inc. ("MSA"); Kane Mudd and Craig Kalkomey of LJA Engineering, Inc. ("LJA"); Tyson Duncan of AECOM Technical Services, Inc. ("AECOM"); Brittany Keeswood of Assessment of the Southwest, Inc. ("ASW"); Jeff Perry of Levee Management Services, LLC ("LMS"); Rick Marriott of Si Environmental, LLC ("SE"); Calep Estes, Danae Dehoyos, Daenon Russell, and Sam Willett of Touchstone District Services, LLC ("Touchstone"); Tina Tran of Forvis Mazars, LLP ("FM"); Christine Crotwell of Masterson Advisors LLC ("Masterson"); Josh Rambo of McCall Gibson Swedlund Barfoot PLLC ("McCall"); and Christopher Skinner and Matthew Reed 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 meeting held on July 16, 2024. After discussion, Director Bedee moved to approve the draft minutes for the July 16, 2024 meeting, as written. 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 July 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 Kazmierczak seconded said motion, which unanimously carried.

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 August 1, 2024, prepared by FM, attached hereto as **Exhibit B**. After discussion, Director Bedee moved that (i) the Bookkeeper's Report be approved, and the checks and wires reviewed by the Board be authorized for payment, as discussed, and (ii) ratify the Board's prior authorization of the filing of Designation of Subrecipient Agent-Primary Contacts form designating Tina Tran of FM as designee related to grant funding administration. Director Kazmierczak seconded said motion, which unanimously carried.

ADOPTION OF OPERATING BUDGET FOR THE DISTRICT'S FISCAL YEAR ENDING AUGUST 31, 2025

Ms. Tran presented to and reviewed with the Board the proposed operating budget for the District's fiscal year ending August 31, 2025, a copy of which proposed budget is attached hereto as **Exhibit C**. After discussion on the matter, Director Bedee moved to approve the operating budget for the District's fiscal year ending August 31, 2025, as discussed. Director Kazmierczak seconded the motion, which unanimously carried.

ENGAGEMENT OF AUDITOR TO AUDIT THE DISTRICT'S FINANCIAL STATEMENTS AND PREPARE THE DISTRICT'S AUDIT REPORT FOR THE FISCAL YEAR ENDING AUGUST 31, 2024

The Board next considered the engagement of an auditor to audit the District's financial statements and prepare the District's general audit report for the fiscal year ending August 31, 2024. In connection therewith, Mr. Rambo presented to and reviewed with the Board a proposal from McCall dated August 1, 2024, a copy of which proposal is attached hereto as **Exhibit D**. He advised that McCall's proposal for said audit and preparation of the audit report for the District's fiscal year ended August 31, 2024, sets forth a fee not to exceed \$29,500. He also noted that, in connection with grant funds received by the District in fiscal year ending August 31, 2024, said proposal includes the preparation of a Single Audit in accordance with the Single Audit Act

Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, if required. After discussion on the matter, Director Bedee moved that (i) McCall be engaged to audit the District's financial statements and prepare the District's audit report for the fiscal year ending August 31, 2024, and, if required, a Single Audit report, in accordance with the terms of the engagement letter, (ii) that the Chairman be authorized to execute same on behalf of the Board and the District, and (iii) that the Texas Ethics Commission ("TEC") Form 1295 from McCall be acknowledged. Director Kazmierczak 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.

2024 TAX RATE RECOMMENDATION

The Board next considered the Financial Advisor's recommendation concerning the District's proposed 2024 tax rate. In connection therewith, Ms. Crotwell presented to and reviewed with the Board a tax rate analysis and tax rate recommendation prepared by Masterson relative to the District's 2024 debt service and maintenance tax rates. A copy of the recommendation is attached hereto as **Exhibit E**. Ms. Crotwell reminded the Board that the District levied a 2023 debt service tax rate of \$0.215 and a maintenance tax rate of \$0.1389, for a total tax rate of \$0.3539. Following discussion, the Board deferred consideration of the Financial Advisor's recommendation concerning the District's proposed 2024 tax rate until its regular meeting in September, 2024.

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.

AMENDMENT TO OPERATION AND MAINTENANCE AGREEMENT WITH LMS

The Board deferred consideration of an amendment to the Operation and Maintenance Agreement with LMS until its next regular meeting.

QUARTELY MEETINGS AT THE CLUB AT NEW TERRITORY

The Board discussed the holding of quarterly meetings at the Club at New Territory. Following discussion, the Board deferred any action on the matter until its next regular meeting.

OPERATIONS AND MAINTENANCE REPORTS

Mr. Perry presented to and reviewed with the Board a written Operations and Maintenance Report dated August 1, 2024, attached hereto as **Exhibit F**, regarding maintenance performed on levee and drainage facilities throughout the District. Following discussion, Director Picazo moved to ratify the Board's prior (i) acceptance of the Operations and Maintenance Report presented at the July 16, 2024, meeting, and (ii) authorization to replace the automatic transfer switch at the District's original pump station. Director Kazmierczak seconded said motion, which unanimously carried.

Mr. Marriott presented to and reviewed with the Board written Operations Reports for the months of June, 2024, and July 2024, relative to the District's Reclaimed Water System prepared by SE. A copy of such Operations Reports are attached hereto as **Exhibit G**.

CAPITAL IMPROVEMENTS PROJECTS

Mr. Martin next presented to and discussed with the Board the General Manager's Report dated August 1, 2024, attached hereto as **Exhibit H**. Regarding the Brazos River Bank Erosion Control Project, following discussion, Director Bedee moved to approve Pay Estimate No. 11 in the amount of \$1,860,998.04 from Texas Dewatering, as recommended by MSA and AECOM. Director Kazmierczak seconded said motion, which unanimously carried.

Mr. Mudd next presented to and reviewed with the Board an Engineering Report dated August 1, 2024, prepared by LJA, attached hereto as **Exhibit I**. Regarding the Detention and Drainage Improvements and Facilities project, following discussion, Director Bedee moved to approve Pay Estimate No. 24 from NBG Constructors, Inc. in the amount of \$35,245.00, as recommended by LJA. Director Kazmierczak seconded said motion, which unanimously carried.

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

CLOSED SESSION

The Chairman announced at 7:37 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.

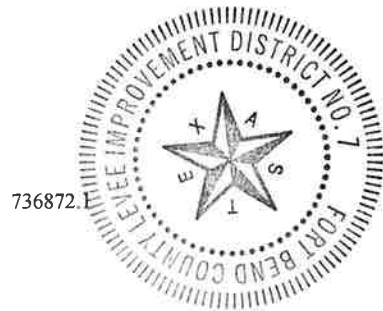
The Board reconvened in Regular Session at 8:15 p.m.

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 Picazo, 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	Bookkeeper's Report
EXHIBIT C	Operating Budget for Fiscal Year Ending August 31, 2025
EXHIBIT D	McCall Engagement Letter
EXHIBIT E	2024 Tax Rate Recommendation
EXHIBIT F	LMS Operation and Maintenance Report
EXHIBIT G	SE Operations Reports
EXHIBIT H	MSA Report
EXHIBIT I	LJA Engineering
EXHIBIT J	Communications Report