

FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 7

Minutes of Meeting of Board of Directors August 7, 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 August 7, 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 Directors Bedee and Mehta, thus constituting a quorum.

Also present were: Phil Martin of Guideline Management, Inc. ("GMS"); Craig Kalkomey of LJA Engineering, Inc. ("LJA"); Brittany Keeswood of Assessments of the Southwest, Inc. ("ASW"); Michael Brooks of Levee Management Services, LLC ("LMS"); Calep Estes of Touchstone District Services, LLC ("Touchstone"); Sherri Greenwood of Forvis Mazars, LLP ("FM"); Danae Dehoyos, Calep Estes and Daenon Russell of Touchstone District Services, LLC ("Touchstone"); Josh Rambo of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Todd Kelly, Executive Director of the New Territory Residential Community Association, Inc. ("NTRCA"); Austin Brauel of D.R. Horton – Texas, Ltd. ("D.R. Horton"); Michael Rusk of LJA, on behalf of D.R. Horton, Thomas P. McAlister of Sher Garner Cahill Richter Klein & Hilbert, L.L.C., attorney for Loan Goat #2 LLC and Tres Hunt Family Trust LLC (the "Western Tract Landowners"); and Christopher Skinner and Matthew Reed of Schwartz, Page & Harding, L.L.P. ("SPH"). Mr. Kalkomey entered the meeting after it was called to order, as noted herein.

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 June 5, 2025, June 17, 2025, July 3, 2025, and July 15, 2025. After discussion, Director Kazmierczak moved to approve the draft minutes for the June 5, 2025, June

17, 2025, July 3, 2025, and July 15, 2025 meetings, as written. Director Grotte 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, 2025, which report is 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 Grotte 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., the District's delinquent tax attorneys. 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 August 7, 2025, prepared by FM, attached hereto as **Exhibit B**. After discussion, Director Grotte moved that the Bookkeeper's Report be approved, and the checks and wires reviewed by the Board be authorized for payment. Director Kazmierczak seconded said motion, which unanimously carried.

ADOPTION OF OPERATING BUDGET FOR THE DISTRICT'S FISCAL YEAR ENDING AUGUST 31, 2026

The Board deferred consideration of approval of a proposed operating budget for the District's fiscal year ending August 31, 2026, until its special meeting on August 19, 2025.

ENGAGEMENT OF AUDITOR TO AUDIT THE DISTRICT'S FINANCIAL STATEMENTS AND PREPARE THE DISTRICT'S AUDIT REPORT FOR THE FISCAL YEAR ENDING AUGUST 31, 2025

The Board next considered the engagement of an auditor to audit the District's financial statements and prepare the District's audit report for the fiscal year ending August 31, 2025. In connection therewith, Mr. Rambo presented to and reviewed with the Board a proposal from McCall dated August 7, 2025, a copy of which proposal is attached hereto as **Exhibit C**. He advised that McCall's proposal for said audit and preparation of the audit report for the District's fiscal year ended August 31, 2025, sets forth a fee not to exceed \$32,000. He also noted that, in connection with grant funds received by the District in fiscal year ending August 31, 2025, 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 Grotte 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, 2025, 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.

Mr. Kalkomey entered the meeting during the above discussion.

FINANCIAL MANAGEMENT PLAN

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

Regarding the rehabilitation of the External Drainage Channel, Mr. Martin discussed the use of \$1,389,501.02 in Series 2020 surplus bond proceeds for the reimbursement of Operating Capital expenses related to rehabilitation of the External Drainage Channel. In connection therewith, he presented to and reviewed with the Board a Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds. After discussion, Director Kazmierczak moved that the Board approve said Resolution, attached hereto as **Exhibit D**, and authorize the Chairman to execution and Secretary to attest to same on behalf of the Board and the District. Director Grotte seconded said motion, which unanimously carried.

2025 TAX RATE RECOMMENDATION

The Board next considered the Financial Advisor's recommendation concerning the District's proposed 2025 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 2025 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 2024 debt service tax rate of \$0.215 and a maintenance tax rate of \$0.10774, for a total tax rate of \$0.322740. After discussion, the Board deferred consideration of the Financial Advisor's recommendation concerning the District's proposed 2025 tax rate until its special meeting on August 19, 2025.

STORM WATER MANAGEMENT PLAN ("SWMP")

The Board deferred consideration of 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 and Director Kazmierczak reported on the status of activities of the Fort Bend Levee Coalition.

AMENDMENT TO PROFESSIONAL SERVICE CONTRACT

The Board deferred consideration of approval of a First Amendment to Professional Service Contract with Si Environmental, LLC ("SE") until its regular meeting on September 4, 2025.

AMENDMENT OF EMERGENCY ACTION PLAN; AMENDMENT OF OPERATING AND MAINTENANCE MANUAL

The Board next considered amending the District's (i) Emergency Action Plan and (ii) Operating and Maintenance Manual relative to the completion of the new Stormwater Pump Station. In connection therewith, Mr. Kalkomey presented to and reviewed with the Board recommended updates to the District's EAP. After discussion, the Board deferred approval of an amendment to the District's (i) Emergency Action Plan and (ii) Operating and Maintenance Manual.

OPERATIONS AND MAINTENANCE REPORTS

Mr. Brooks presented to and reviewed with the Board a written Operations and Maintenance Report dated August 7, 2025, attached hereto as **Exhibit F**, regarding maintenance performed on levee, pump station and drainage facilities throughout the District.

Mr. Skinner advised that Rick Marriott was unable to attend the meeting and presented to and reviewed with the Board the Operations Report prepared by SE for the month of July 2025, relative to the District's Reclaimed Water System. A copy of such Operations Report is attached hereto as **Exhibit G**.

CAPITAL IMPROVEMENTS PROJECTS

Mr. Martin presented to and discussed with the Board the General Manager's Report dated August 7, 2025, attached hereto as **Exhibit H**. Regarding the Brazos River Bank Erosion Control Project (the "River Erosion Project"), after discussion, Director Grotte moved to approve Pay Estimate No. 20 in the amount of \$1,789,704.60 from Texas Dewatering, LLC, as recommended by MSA and AECOM. Director Kazmierczak seconded said motion, which unanimously carried.

Regarding the lighting for the Sports Field Project, Mr. Martin presented to and reviewed with the Board invoice no. 441176 in the amount of \$178,838.75 from Musco Sports Lighting, LLC ("Musco"), a copy of which invoice is attached hereto as **Exhibit I**. After discussion, Director Grotte moved to approve said invoice from Musco. Director Kazmierczak seconded said motion, which unanimously carried.

Mr. Kalkomey next presented to and reviewed with the Board an Engineering Report dated August 7, 2025, prepared by LJA, attached hereto as **Exhibit J**.

There was next a discussion regarding construction of flood improvements for the northern boundary of the District. Mr. McAlister, on behalf of the Western Tract Landowners, and Mr. Brauel, on behalf of D.R. Horton, each discussed with the Board proposed acquisition scenarios and estimated costs related to the planned development of property to the west of New Territory and possible impacts to the District's flood protection and drainage systems. The Board deferred discussion at this time after noting that the matter would be discussed in Closed Session.

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

CLOSED SESSION

The Chairman announced at 6:50 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. Reed and Mr. Skinner exited at this time.

The Board reconvened in Regular Session at 7:23 p.m.

Ms. Dehoyos, Ms. Russell, Mr. Estes and Mr. Kalkomey re-entered the meeting at this time.

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 Grotte, 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	McCall Engagement Letter
EXHIBIT D	Resolution Authorizing Use of Surplus Construction Funds and Interest Earned on Construction Funds
EXHIBIT E	2025 Tax Rate Analysis Summary
EXHIBIT F	LMS Operation and Maintenance Report
EXHIBIT G	SE Operations Report
EXHIBIT H	GMS Report
EXHIBIT I	Musco Sports Lighting, LLC Invoice
EXHIBIT J	LJA Report
EXHIBIT K	Communications Report