

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 17

January 12, 2017

The Board of Directors (the "Board") of Fort Bend County Levee Improvement District No. 17 (the "District") met in regular session, open to the public, on the 12th day of January, 2017, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

David Lawrence	President
Jeff Scarborough	Vice President/ Assistant Secretary
David W. Gornet	Secretary/ Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also present at the meeting were Jeff Perry of Levee Management Services, LLC ("LMS"); Christina Garcia of Myrtle Cruz, Inc.; Jason Kelly of LJA Engineering & Surveying, Inc. ("LJA"); Kristy Hebert of Tax Tech, Inc.; Brad Koehl of Bio Landscape and Maintenance, Inc. ("Bio"); Mac McCune of Lake Management Services, L.P.; Richard McDougal of Sterling Association Services, Inc.; Julie Peak of FirstSouthwest, a Division of Hilltop Securities; Jim Grotte, resident of Fort Bend County and Director of Fort Bend County Levee Improvement District No. 7 ("LID 7"); and Lynne B. Humphries, Whitney V. Ables, Heather K. Trachtenberg and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board considered approving the minutes of the December 8, 2016, regular meeting. Following review and discussion, Director Gornet moved to approve the minutes of December 8 2016, regular meeting as submitted. Director Lawrence seconded the motion, which passed by unanimous vote.

PUBLIC COMMENTS

Mr. McDougal introduced himself and stated he is the new representative for the management company of the Telfair Community Association. He stated the entrance bridge needs to be repainted. The Board requested Mr. McDougal send the information to Ms. Cales to provide to the Directors and engineer for further review.

UPDATE ON EROSION REPAIR PROJECT IN DITCH H AND APPROVE PAYMENT TO FORT BEND COUNTY DRAINAGE DISTRICT ("FBCDD") FOR MATERIALS

Director Gornet updated the Board regarding the erosion repair. He stated FBCDD is addressing and reviewing soil conditions before proposing any repairs.

PHASE II MS4 STORM WATER PLAN IMPLEMENTATION

There was no discussion regarding this item.

LAKE MAINTENANCE BY LAKE MANAGEMENT SERVICES, INC. ("LAKE MANAGEMENT")

Mr. McCune stated Lake Management has observed erosion encroaching on sidewalks in certain areas. He stated Lake Management has been receiving resident complaints regarding the matter. Mr. Perry stated LMS surveyed the areas and stated they can be repaired in an amount not to exceed \$9,000. After review and discussion, Director Lawrence moved to approve the necessary repairs to be completed by LMS in an amount not to exceed \$9,000. Director Gornet seconded the motion, which passed unanimously.

MAINTENANCE OF THE WETLAND SHELVES AND MOWING OF DISTRICT FACILITIES BY YELLOWSTONE LANDSCAPE

Mr. Koehl reviewed the maintenance report, a copy of which is attached. He then discussed tree management performed in the District. After review and discussion, Director Lawrence moved to approve the maintenance report. Director Gornet seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Kelly reviewed the engineer's report, a copy of which is attached, and updated the Board on the status of construction projects.

Mr. Kelly stated he was contacted by PS Lightwave requesting an easement on behalf of Fort Bend Independent school District to hang cables to existing poles.

Mr. Kelly recommended the Board approve the repair of a 6" irrigation mainline at University Boulevard and Meadowcroft Boulevard in the amount of \$1,218.57; and an irrigation mainline at University Boulevard and Huntley Drive in the amount of \$2,462.60. He stated the repair is performed by Ridgewood per the District's Amended Agreement.

Mr. Kelly updated the Board regarding the repairs to the pedestrian bridge.

Mr. Kelly updated the Board regarding Parks Bond Application No. 4 in the amount of \$2,155,000.

After review and discussion, Director Gornet moved to: (1) approve the engineer's report; (2) approve the easement to PS Lightwave, pending finalization and approval of the District's engineer and ABHR and direct that it be filed appropriately and retained in the District's official records; and (3) approve the repair of a 6" irrigation mainline at University Boulevard and Meadowcroft Boulevard in the amount

of \$1,218.57; and an irrigation mainline at University Boulevard and Huntley Drive in the amount of \$2,462.60 to be completed by Ridgewood. Director Scarborough seconded the motion, which passed unanimously.

RECREATIONAL FACILITIES

There was no discussion regarding this item.

PARK MAINTENANCE

There was no memorandum from the TCA for the month of January.

DEVELOPMENT IN THE DISTRICT

There was no discussion regarding this item.

REFUNDING BONDS, SERIES 2017

Ms. Peak presented and reviewed a document detailing the effects of refunding some of the District's outstanding Unlimited Tax Bonds, a copy of which is attached.

PRELIMINARY OFFICIAL STATEMENT FOR THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2017

Ms. Peak reviewed the Preliminary Official Statement for the District's Unlimited Tax Refunding Bonds, Series 2017.

DESIGNATE UNDERWRITER

The Board considered selecting an underwriter to purchase the Series 2017 Refunding Bonds. Ms. Peak discussed the qualifications and experience of potential underwriters.

APPOINT PAYING AGENT/REGISTRAR

The Board considered appointing a paying agent/registrar and escrow agent for the Series 2017 Refunding Bonds.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2016 AND AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE SALE OF THE BONDS

Ms. Humphries presented a Resolution Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds, Series 2017, and reviewed the parameters for the refunding bond sale to be designated by an authorized representative of the District.

AUTHORIZE THE DISTRICT'S ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION IN CONNECTION WITH THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2017

Ms. Humphries discussed the necessary action to be taken by the District's attorney and financial advisor, in connection with the issuance of the Series 2017 Refunding Bonds.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Humphries presented a Certificate Regarding Provision of Financial Advice related to the Series 2017 Refunding Bonds certifying that ABHR has not provided financial advice to the Board concerning the issuance of the Bonds ("Certificate").

APPROVE CHECK TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board discussed approving a check to the Attorney General of Texas for the Series 2017 Refunding Bonds transcript review.

ACKNOWLEDGE LETTER PROVIDED UNDER THE MUNICIPAL SECURITIES RULEMAKING BOARD RULES BY DISTRICT'S FINANCIAL ADVISOR

The Board acknowledged receipt of a letter to the Board regarding the services the underwriter will be providing in connection with the issuance of the proposed refunding bonds as required by Municipal Securities Rulemaking Board Rule G-17.

After review and discussion, Director Lawrence moved to: (1) approve the Preliminary Official Statement; (2) designate SAMCO Capital Markets as the underwriter for the Series 2017 Refunding Bonds; (3) appoint The Bank of New York Mellon Trust Company, N.A., as the District's paying agent/registrar and escrow agent for the Series 2017 Refunding Bonds; (4) adopt the Resolution Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds, Series 2017; (5) authorize the President to act as the District's authorized representative; (6) authorize the financial advisor to proceed with the sale of the Series 2017 Refunding Bonds in a principal amount not to exceed \$14,000,000 and subject to a present value savings of at least 7%; (7) authorize the Board of Directors to sign all documents relating to the sale of the Series 2017 Refunding Bonds; (8) authorize the District's attorney and financial advisor to take all necessary action in connection with the issuance of the District's Series 2017 Refunding Bonds; (9) authorize execution of the Certificate; (10) approve the check to the Attorney General of Texas for review of the transcript for the Series 2017 Refunding Bonds; (11) acknowledge the underwriter's letter and authorize execution of the letter; and (12)

direct that any documents be filed appropriately and retained in the District's official records. Director Gornet seconded the motion, which passed by unanimous vote.

FINANCIAL AND BOOKKEEPING MATTERS INCLUDING PAYMENT OF BILLS AND REVIEW OF INVESTMENTS AND ADOPT 2017 FISCAL YEAR BUDGET

Ms. Garcia reviewed the bookkeeper's report, including payment of bills, and review of investments, copies of which are attached.

Ms. Garcia stated that in accordance with the District's Investment Policy, the District's bookkeeper and the District's Investment Officer are required to execute disclosure statements that disclose any relationships with banks and brokers who seek to sell investments to the District. She added that the disclosure statements will be filed with the Texas Ethics Commission.

The Board reviewed the District's Investment Policy and concurred no changes were necessary at this time.

The Board reviewed a list of authorized Broker/ Dealers provided by the District's bookkeeper. Ms. Humphries then reviewed a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/ Dealers with Whom the District May Engage in Investment Transactions.

Following review and discussion, Director Gornet moved to: (1) approve the bookkeeper's report, including payment of the bills; (2) accept the disclosure statements from the District's bookkeeper and investment officer and direct that it be filed appropriately and retained in the District's official records; (3) adopt the Resolution Regarding Annual Review of Investment Policy and direct that it be filed appropriately and retained in the District's official records; (4) adopt Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that it be filed appropriately and retained in the District's official records. Director Scarborough seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS, INCLUDING DELINQUENT TAX COLLECTIONS, INSTALLMENT AGREEMENTS, AND PAYMENT OF TAX BILLS

Ms. Hebert presented and reviewed the tax assessor/collector's report for December 31, 2016, and the bills for payment from the tax account, a copy of which is attached. She stated 25.07% of the District's 2016 taxes have been collected to date. Ms. Hebert reviewed a delinquent list with the Board, a copy of which is attached to the tax assessor's report. After review and discussion, Director Gornet moved to approve the tax assessor/collector's report and payment of the tax bills. Director Scarborough seconded the motion, which passed by unanimous vote.

OPERATION OF DISTRICT FACILITIES, BILLINGS, REPAIRS AND MAINTENANCE, INCLUDING REPAIRS AND MAINTENANCE TO THE DISTRICT'S SYSTEM

Mr. Perry presented and reviewed the operator's report and updated the Board regarding maintenance and facility repairs performed during the previous month. A copy of the report is attached.

The Board discussed erosion along the banks of the Brazos River. Mr. Grotte introduced himself and stated he is a Director of LID 7. He stated LID 7 has experienced significant erosion on its property along the Brazos River. Mr. Grotte reported LID 7 hired a consultant to study the erosion and offer possible solutions to repair the areas and prevent further erosion. Mr. Grotte stated LID 7 anticipates coordinating with neighboring and downstream levee improvement districts to ensure the repair has minimal impact to other districts. Ms. Humphries reported the Fort Bend County Drainage District has been coordinating with the United States Army Corps of Engineers regarding erosion and possible dredging of the Brazos River. Mr. Grotte stated he will continue to update the Board as additional information becomes available.

Following review and discussion, Director Gornet moved to approve the operator's report. Director Scarborough seconded the motion, which carried unanimously.

ATTORNEY'S REPORT

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE

Ms. Humphries reported on the District's compliance activities during the prior calendar year related to bond financings. The Board determined no action is required at this time.

REVIEW LIST OF LOCAL GOVERNMENT OFFICERS PURSUANT TO CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE

The Board reviewed a list of the District's Local Government Officers ("List"). After review and discussion, Director Scarborough moved to approve the List and direct that it be filed appropriately and retained in the District's official records. Director Gornet seconded the motion, which passed by unanimous vote.

UPDATE OF DISTRICT INFORMATION KIT

The Board reviewed the updated District Information Kit. After review and discussion, Director Scarborough moved to approve the District Information Kit as revised and direct that it be filed appropriately and retained in the District's official records. Director Gornet seconded the motion, which passed unanimously.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS
COMPTROLLER

Ms. Humphries reported ABHR will file the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812. The Board concurred for ABHR to file the report, noting the District did not use its eminent domain authority in 2016.

APPROVE AND AUTHORIZE FILING OF EDUCATION/TRAINING
COMPLIANCE STATUS FOR BOARD OF DIRECTORS WITH THE FORT BEND
COUNTY DRAINAGE DISTRICT

The Board reviewed a list of each Directors' continuing education during the 2016 calendar year ("CE List"), as required by Fort Bend County. After review and discussion, Director Gornet moved to approve the CE List and direct that it be submitted to the County, filed appropriately and retained in the District's official records. Director Scarborough seconded the motion, which passed unanimously.

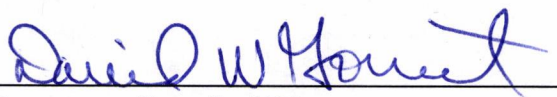
STATUS OF FEDERAL FLOOD INSURANCE LEGISLATION, AND ATTENDANCE
AT A NATIONAL LEVEE, DRAINAGE, OR FLOOD RELATED CONFERENCE

There was no discussion regarding this item.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS REGARDING
EVENTS AND ACTIVITIES ATTENDED DURING THE MONTH

There was no discussion regarding this item.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.


Secretary, Board of Directors



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