

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 17

September 14, 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 14th day of September, 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
NG Fook (Francis) Ming	Vice President/ Assistant Secretary
David W. Gornet	Secretary/ Assistant Vice President

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

Also present at the meeting were Jimmy Thompson and Jeff Perry of Levee Management Services, LLC ("LMS"); Christina Perry 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"); Julie Peak of FirstSouthwest, a Division of Hilltop Securities ("FSW"); David Beyer of Storm Water Solutions, LP; Lynne B. Humphries and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR"); and Ed Pearson, Vibhare Jain, Srikrishna Venupud, Pallavic Gnnali, and Syed Kareem, residents of the District.

MINUTES

The Board considered approving the minutes of the August 10, 2017, regular meeting. Following review and discussion, Director Lawrence moved to approve the minutes of August 10, 2017, regular meeting as submitted. Director Gornet seconded the motion, which passed by unanimous vote. The Board concurred to discuss agenda item no. 9.

REVIEW BIDS AND AWARD SALE OF DISTRICT'S SERIES 2017 BONDS

Ms. Peak presented and reviewed the bids received for the District's \$2,035,000 Unlimited Park Bonds, Series 2017 Bonds (the "Series 2017 Bonds").

The Board next considered awarding the sale of the District's Series 2017 Bonds. Ms. Peak stated he verified the accuracy of the bids and recommended that the Board accept the bid with the lowest net effective interest rate of 2.981031% submitted by SAMCO Capital Markets, Inc. A copy of the bid sheet is attached.

Ms. Peak reported the bond issue will be insured by Build America Mutual.

RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$2,035,000 UNLIMITED TAX BONDS, SERIES 2017

Ms. Humphries reviewed a Resolution Authorizing the Issuance of the District's \$2,035,000 Unlimited Tax Bonds, Series 2017.

APPROVE PAYING AGENT/REGISTRAR AGREEMENT

Ms. Humphries then reviewed the Paying Agent/Registrar Agreement between the District and The Bank of New York Mellon Trust Company, N.A. It was noted no escrow agent is required.

APPROVE OFFICIAL STATEMENT

Ms. Peak stated that the Preliminary Official Statement will be updated to include information regarding the bond sale.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL ADVICE

Ms. Humphries presented and reviewed a Certificate Regarding Provision of Financial Advice.

AUTHORIZE THE BOARD OF DIRECTORS TO SIGN ALL DOCUMENTS RELATING TO THE BOND SALE AND AUTHORIZE THE ATTORNEY AND FINANCIAL ADVISOR TO TAKE ALL NECESSARY ACTION TO DELIVER BONDS TO THE PURCHASER

Ms. Humphries stated that it will be necessary for the President and Secretary of the Board to sign certain documents relating to the sale of the District's Series 2017 Bonds, and for the attorney to submit a transcript of the bond proceedings to the Attorney General of Texas. She added that the financial advisor also will take necessary action in connection with the delivery of the bonds to the purchaser.

APPROVE CHECK TO ATTORNEY GENERAL RELATING TO BOND ISSUE TRANSCRIPT REVIEW

The Board discussed approving a check to the Attorney General of Texas ("AG") for the Series 2017 Bonds transcript review.

AMENDMENT TO THE INFORMATION FORM

Ms. Humphries stated that the Texas Water Code requires the District to file an Amendment to the Information Form with Fort Bend County and the Texas Commission on

Environmental Quality in order to reflect the bonds issued by the District. She then reviewed the Amendment to the Information Form with the Board.

After review and discussion, Director Lawrence moved to (1) award the sale of the District's Series 2017 Bonds to SAMCO Capital Markets, Inc., whose bid contained the lowest net effective interest rate; (2) adopt the Resolution Authorizing the Issuance of the District's \$2,035,000 Unlimited Tax Bonds, Series 2017, and direct that the Resolution be filed appropriately and retained in the District's official records; (3) approve the Paying Agent/Registrar Agreement between the District and The Bank of New York Mellon Trust Company, N.A., and direct that the Agreement be filed appropriately and retained in the District's official records; (4) approve the Official Statement for the Series 2017 Bonds, direct that the Statement be filed appropriately and retained in the District's official records; (5) approve the Certificate and direct that it be filed appropriately and retained in the District's official records; (6) authorize the President and Secretary to sign the documents relating to the bond sale and authorize the attorney and financial advisor to take all necessary action to deliver the bonds to the purchaser; (7) approve a check to the AG for the Series 2017 Bonds transcript review; and (8) authorize execution of the Amendment to the Information Form and direct that the Amendment be filed appropriately and retained in the District's official records. Director Gornet seconded the motion, which passed by unanimous vote.

The Board concurred to discuss agenda item no. 2 at the end of the meeting.

HURRICANE HARVEY RELATED MATTERS

The Board discussed Hurricane Harvey ("Harvey") and the impact to the District. Mr. Perry stated all of the District's drainage facilities and levee performed as designed. He stated he and the District's engineer are reviewing Brazos River level elevations and responses during Harvey to determine if any updates need to be made to the District's Emergency Action Plan. After discussion, the Board authorized the District's engineer and operator to survey the levee and coordinate regarding suggestions for possible improvements.

UPDATE ON WEBSITE AND APPROVE POSTINGS

The Board did not request any updates to the District's website.

PRESENTATION FROM FORT BEND FLOOD MANAGEMENT ASSOCIATION "FBFMA")

There were no members of the FBFMA were present and the Board requested the agenda item be removed.

PHASE II MS4 STORM WATER MANAGEMENT PLAN ("SWMP")
IMPLEMENTATION

Mr. Beyer recommended the Board authorize SWS to submit to the Texas Commission on Environmental Quality a Notice of Change regarding the District's Phase II Small MS4 General Permit to extend the Year 4 goals relating to the District's Stormwater Guidance Manual and amending of the District's Rate Order into Year 5 due to Harvey. After discussion and based on a motion made by Director Lawrence and seconded by Director Gornet, the Board unanimously approved authorization to SWS to submit to the TCEQ a Notice of Change, as discussed and recommended.

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

There was no discussion regarding this item.

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 Gulf Coast Pumps completed the annual inspection of the District's pumps and recommended replacement of a fan dust filter at pump station no. 2 and various irrigation repairs totaling \$2,480.78.

Mr. Kelly discussed repairs recommended by Ridgewood including: repair of a 3" irrigation mainline leak on New Territory Boulevard in the amount of \$498.76; a 2-1/2" irrigation mainline at Meadowcroft and University Boulevards in the amount of \$586.85; a 6" irrigation mainline at pump station no. 3; a 2-1/2" irrigation mainline leak at Chatham Avenue in the amount of \$702.91. He stated the repairs will be completed by Ridgewood in accordance with the services contract.

Discussion ensued regarding the installation and possible maintenance of landscaping facilities installed by Fort Bend Independent School District ("FBISD") on District property.

After review and discussion, Director Lawrence moved to approve the engineer's report including the repairs to be completed by Ridegwood as discussed above and authorize Director Gornet to coordinate with the District's engineer regarding the installation and possible maintenance of FBISD landscape facilities including entering into an agreement, if necessary. Director Gornet seconded the motion, which passed unanimously.

PARK MAINTENANCE

There was no discussion regarding this item.

DEVELOPMENT IN THE DISTRICT

There was no discussion regarding this item.

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

Mr. Perry updated the Board regarding maintenance and facility repairs performed during the previous month. No written report was presented. He discussed operations performed during Harvey. Mr. Perry stated there was a small leak in the building at pump station no. 1.

Mr. Thompson stated LMS flew a helicopter over all of the levees LMS operates to survey for any damage. He noted the invoice for the flight will be divided among all districts with whom LMS contracts and will appear on the next invoice.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF THE BILLS, REVIEW OF INVESTMENTS, BUDGET COMPARISON, AND AMEND BUDGET FOR FISCAL YEAR END DECEMBER 31, 2017

Ms. Perry reviewed the bookkeeper's report, including payment of bills, and review of investments, copies of which are attached. Following review and discussion, Director Lawrence moved to approve the bookkeeper's report, including payment of the bills. Director Gornet 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 August 31, 2017, and the bills for payment from the tax account, a copy of which is attached. She stated 99.84% 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 Lawrence seconded the motion, which passed by unanimous vote.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S 2017 TAX RATE, ADOPT ORDER LEVYING TAXES AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION

Ms. Hebert stated Tax Tech Inc. published the required Notice of Public Hearing stating the District anticipates levying a \$0.57 tax rate at this meeting.

Director Lawrence then opened the public hearing. Several members of the public asked questions, which the Directors responded. Director Lawrence closed the public hearing.

Ms. Humphries presented to the Board an Order Levying Taxes for a \$0.57 tax rate, with \$0.27 allocated for debt service and \$0.30 allocated for maintenance and operations expenditures. Ms. Humphries also presented an Amendment to Information Form reflecting the newly adopted tax rate.

After review and discussion, Director Gornet moved to adopt the Order Levying Taxes as presented and authorize execution of the Amendment to Information Form, and direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Lawrence seconded the motion, which passed unanimously. The Board confirmed its intention that the 2017 tax levy includes maintenance and operations and debt service component for the fiscal year ending December 31, 2018.

ADOPT RESOLUTION VOTING FOR ELECTION OF THE BOARD OF DIRECTORS FOR THE FORT BEND CENTRAL APPRAISAL DISTRICT

The Board concurred to defer this item as the FBCAD has not provided the ballot.

ATTORNEY'S REPORT

There was no discussion regarding this item.

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

There was no discussion regarding this item.

DISCUSS DIRECTOR CONTINUING EDUCATION

The Board discussed and reviewed the Directors' continuing education for 2017 and noted Directors Lawrence and Gornet have completed the required hours.

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

There was no discussion regarding this item.

PUBLIC COMMENTS

The residents in attendance introduced themselves and noted they would like more information regarding Harvey and the District's drainage and levee system. It was noted some residents experienced street flooding.

Director Gornet introduced himself, Director Lawrence and the Board's consultants. He then explained the District's drainage system and noted streets are utilized and designed per Fort Bend County and City of Sugar Land criteria and provide additional detention storage if needed. Director Gornet stated the District's system is designed per the governmental criteria to pump out approximately 6" of water per day. Director Gornet stated the District also experienced significant localized rainfall during Harvey. Discussion ensued regarding the possibility of increasing the District's pumping capacity.

Director Gornet discussed the correlation between the reading at the Richmond gauge on the Brazos River and the levee height. He stated 20 feet must be added to the Richmond gauge reading to represent sea level. Director Gornet noted that even at the projected reading of 59' at the Richmond gauge, the District's levee would still have freeboard, the distance between the top of the levee and the top of the water. He stated the levee is designed to withstand water all the way to the top of the levee.

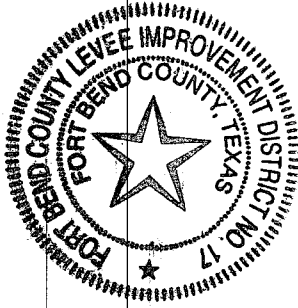
Residents inquired if improvements or adjustments made to the levees and/or facilities of Fort Bend County Levee Improvement District Nos. 15 and 19 ("LIDs 15 and 19") would impact the District. Director Gornet stated any changes to LIDs 15 and 19 districts will not impact us since the District is upstream.

Discussion ensued regarding the natural occurring erosion of the Brazos River banks. Director Gornet stated the District continues to monitor the erosion closely and coordinates with Fort Bend County Drainage District. Mr. Perry stated there are extensive studies being performed on the Brazos River by various entities.

Director Gornet stated the District will host a "Levee 101" informational meeting to discuss levee and Harvey matters with residents.

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

(SEAL)



David W. Gornet
Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	<u>Minutes</u> <u>Page</u>
Bid sheet	1
Maintenance report.....	4
Engineer's report from LJA	4
Bookkeeper's report.....	5
Tax assessor/collector's report.....	5