

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 17

January 10, 2019

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 10th day of January, 2019, 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 W. Gornet	President
NG Fook (Francis) Ming	Vice President/ Assistant Secretary
Vibhor Mehrotra	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"); Chris LeBlanc of LJA Engineering, Inc. ("LJA"); Esther Flores of Tax Tech, Inc.; Christina Perry of Myrtle Cruz, Inc.; Brad Koehl of Yellowstone Landscape - Central, Inc. ("Yellowstone"); Aly Long of Sterling Association Services, Inc./ Telfair Community Association ("TCA"); Ed Pearson, resident of the District; Julie Peak and Kristen Blomquist of Masterson Advisors LLC ("Masterson"); and Lynne B. Humphries and Nikole Cales of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the December 13, 2018, regular meeting. After review and discussion, Director Ming moved to approve the minutes of the December 13, 2018, regular meeting as submitted. Director Gornet seconded the motion, which passed unanimously.

PUBLIC COMMENTS

No members of the public wished to address the Board.

UPDATE ON WEBSITE AND APPROVE POSTINGS

Director Gornet discussed updates to the District's website. The Board discussed services offered by Off Cinco, items included in the District's monthly bill and the implementation of the Directors' District email addresses.

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

There was no discussion regarding this matter.

LAKE MAINTENANCE BY LAKE MANAGEMENT SERVICES, L.P. ("LAKE
MANAGEMENT")

The Board discussed the weekly updates from Lake Management, which are filed in the District's records.

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

The Board reviewed the maintenance and mowing report, a copy of which is attached. After review and discussion, Director Gornet moved to approve the maintenance and mowing report. Director Ming seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

Mr. LeBlanc stated he was contacted by PS Lightwave requesting an easement on behalf of Fort Bend Independent school District to install telecommunication conduits, and by Crown Castle Fiber requesting an easement to install fiber optic cable. Following review and discussion, and based on the engineers' recommendations, Director Gornet moved to: (1) approve a Consent to Encroachment to PS Lightwave; and (2) approve an Easement granted to Crown Castle Fiber, both subject to finalization. Director Ming seconded the motion, which passed unanimously.

Mr. LeBlanc recommended the Board approve irrigation repairs totaling \$257.16, and repairs to irrigation pump station no. 2 totaling \$32,961.00, which were completed by Ridgewood per the District's agreement. After review and discussion, Director Gornet moved to approve the repairs in the respective amounts of \$257.16 and \$32,961.00 to be completed per the District's agreement with Ridgewood. Director Ming seconded the motion, which passed unanimously.

Mr. LeBlanc updated the Board regarding engineering services for drainage facility improvements, the updated existing conditions survey and the two dimensional drainage analysis.

Mr. LeBlanc discussed modifications to the gate in the lake in Section 28, including proposed plans for the fabrication and installation, is estimated to cost

\$311,520. Discussion ensued and the Board concurred to defer a decision regarding the matter pending additional information.

After review and discussion, Director Gornet moved to approve the engineer's report. Director Ming seconded the motion, which passed unanimously.

PARK MAINTENANCE

Mr. LeBlanc updated the Board regarding the drinking water fountains purchase and installation. He recommended the Board to approve the plans and specifications and authorize LJA to advertise for bids. After review and discussion, Director Gornet moved to approve the plans and specifications and authorize LJA to advertise for bids. Director Ming seconded the motion, which passed unanimously.

The Board reviewed the January TCA memorandum. After review and discussion, Director Gornet moved to: (1) approve item no. 1: replacement of LED replacement kit at cross streets University Avenue and Chaneybriar Avenue in the amount of \$902.00; and (2) approve item no. 2: troubleshooting hours for light fixtures at cross streets Chatham Avenue and Hetherington Avenue in the amount of \$1,703.88. Director Ming seconded the motion, which passed unanimously.

The Board reviewed an Amended and Restated Maintenance Agreement for Recreational Facilities between the District and the TCA ("Agreement"), which includes updated language, a final map reflecting maintenance responsibility for each party and a provision for the District to fund the cost of an administrator in the amount of \$62,000 to handle the District's recreational facilities through the TCA, among other updates and changes. After review and discussion, Director Gornet moved to approve the Agreement and direct that it be filed appropriately and retained in the District's official records. Director Ming seconded the motion, which passed unanimously.

DEVELOPMENT IN THE DISTRICT

The Board discussed development in the District.

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

Director Mehrotra entered the meeting. Mr. Perry reviewed a report regarding maintenance and facility repairs performed during the previous month, a copy of which is attached.

Mr. Perry discussed the City of Sugar Land's request for the District to repair the cap on a column of the University Boulevard bridge and stated he will present a proposal next month for the repair.

Mr. Perry reported access gates will be installed in March.

Mr. Perry updated the Board regarding the Brazos River levels and noted the River crested at 46.5 feet.

Mr. Perry discussed a resident complaint regarding nutria in the District's lakes. Discussion ensued past trapping of nutria and concurred to take no action regarding the matter since the nutria population does not appear to be excessive and they are not currently causing damage to District facilities.

Director Gornet discussed the TCA's request for the District to paint a water pipeline attached to a bridge. Discussion ensued regarding responsibility and ownership. No action was taken.

Mr. Perry discussed a request for a bike trail across the District's levee. After discussion, the Board concurred to decline the request due to safety concerns, Federal Emergency Management Agency standards and the United States Army Corps of Engineers criteria. It was noted the City of Sugar Land could build a bridge to allow the trail to cross over a natural drainage channel on the outside of the District's levee.

After review and discussion, Director Ming moved to approve the operator's report. Director Mehrotra seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS, INCLUDING PAYMENT OF THE BILLS, REVIEW OF INVESTMENTS, BUDGET COMPARISON

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

The Board discussed the surplus funds application for recreational and parks facilities. After discussion, the Board authorized the disbursement of an additional \$11,704 out of the District's operating fund to pay the Developer interest not covered by the surplus funds.

Ms. Perry stated 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 statement 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; and (4) adopt the Resolution Establishing the Authorize 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 Ming seconded the motion, which passed unanimously.

The Board deferred adoption of a resolution expressing intent to reimburse the District for engineering fees at this time, but noted it may adopt a resolution in the future.

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

Ms. Flores presented and reviewed the tax assessor/collector's report for January, 2019, and the bills for payment from the tax account, a copy of which is attached. She stated 20.04% of the District's 2018 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 Ming seconded the motion, which passed by unanimous vote.

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 Gornet moved to approve the List

and direct that it be filed appropriately and retained in the District's official records. Director Ming 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 Gornet moved to approve the District Information Kit, subject to receipt of comments and direct that it be filed appropriately, retained in the District's records and posted on the District's website upon finalization. Director Ming seconded the motion, which passed unanimously.

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

The Board reviewed a list of each Director's continuing education during the 2018 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 Ming seconded the motion, which passed unanimously.

REVIEW ARBITRAGE REBATE REPORT FOR THE SERIES 2013 BONDS

The Board reviewed the Arbitrage Rebate Report for the Series 2013 Bonds and directed that it be filed in the District's official records.

Ms. Peak discussed a possible refunding opportunity with the Board. She stated some of the District's Series 2009 and 2010 bonds are callable and noted if market conditions continue to be favorable, the District could possibly refund approximately \$9,390,000 of the bonds. A copy of potential costs and savings are attached. After review and discussion, Director Gornet authorized Masterson to take the necessary steps to prepare a refunding opportunity for the Board's review next month. Director Ming seconded the motion, which passed unanimously.

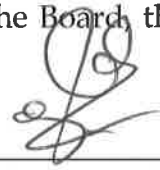
STATUS OF FEDERAL FLOOD INSURANCE LEGISLATION, AND ATTENDANCE AT A NATIONAL LEVEE, DRAINAGE, OR FLOOD RELATED CONFERENCE

There was no discussion regarding this matter.

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

There was no discussion regarding this matter.

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



Asst. Secretary, Board of Directors

(SEAL)



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