

MINUTES
FORT BEND COUNTY LEVEE IMPROVEMENT DISTRICT NO. 17

February 14, 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 14th day of February, 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 except Director Mehrotra, thus constituting a quorum.

Also present at the meeting were Jeff Perry of Levee Management Services, LLC ("LMS"); Jason Kelly of LJA Engineering, Inc. ("LJA"); Kristi Hebert of Tax Tech, Inc.; Christina Perry of Myrtle Cruz, Inc.; Brad Koehl of Yellowstone Landscape - Central, Inc. ("Yellowstone"); Tony Joubert of Sterling Association Services, Inc./ Telfair Community Association ("TCA"); Julie Peak of Masterson Advisors LLC ("Masterson"); David Beyer of Storm Water Solutions, LLC ("SWS"); Bo Willis and Aaron Gannaway of Lake Management Services, L.P. ("LM"); and Lynne B. Humphries, Nikole Cales and Georgia Mathera of Allen Boone Humphries Robinson LLP ("ABHR").

MINUTES

The Board reviewed the minutes of the January 10, 2019, regular meeting. After review and discussion, Director Ming moved to approve the minutes of the January 10, 2019, 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 the implementation and use of the Directors' District email addresses.

REFUNDING BONDS, SERIES 2019

Ms. Peak presented and reviewed a document detailing the effects of refunding

some of the District's outstanding 2009 and 2010 Unlimited Tax Bonds, a copy of which is attached.

PRELIMINARY OFFICIAL STATEMENT FOR THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2019

Ms. Peak reviewed the Preliminary Official Statement for the District's Unlimited Tax Refunding Bonds, Series 2019.

AUTHORIZE TAX ASSESSOR TO REQUEST CERTIFICATE OF ASSESSED VALUE AS OF JANUARY 1 FROM THE APPRAISAL DISTRICT

Ms. Peak stated the tax assessor has obtained an updated certificate of assessed value for the District in connection with the 2019 Refunding Bonds.

DESIGNATE UNDERWRITER

The Board considered selecting an underwriter to purchase the Series 2019 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 2019 Refunding Bonds.

ADOPT RESOLUTION AUTHORIZING THE ISSUANCE OF THE DISTRICT'S UNLIMITED TAX REFUNDING BONDS, SERIES 2019 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 2019, 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 2019

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 2019 Refunding Bonds.

EXECUTION OF CERTIFICATE REGARDING PROVISION OF FINANCIAL
ADVICE

Ms. Humphries presented a Certificate Regarding Provision of Financial Advice related to the Series 2019 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 2019 Refunding Bonds transcript review.

After review and discussion, Director Ming moved to: (1) approve the Preliminary Official Statement; (2) designate SAMCO Capital Markets as the underwriter for the Series 2019 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 2019 Refunding Bonds; (4) adopt the Resolution Authorizing the Issuance of the District's Unlimited Tax Refunding Bonds, Series 2019; (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 2019 Refunding Bonds in a principal amount not to exceed \$10,000,000 and subject to a present value savings of at least 4.5%; (7) authorize the Board of Directors to sign all documents relating to the sale of the Series 2019 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 2019 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 2019 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.

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

Mr. Beyer updated the Board on the District's Storm Water Management Plan ("SWMP"). He distributed and reviewed the Year 5 annual report for the SWMP and a summary of the Texas Commission on Environmental Quality ("TCEQ's") permit renewal process for the Texas Pollutant Discharge Elimination System General Permit no. TXR040000, Small MS4 (Phase II) General Permit, copies of which are attached.

Mr. Beyer began his training session with the Board and consultants. He explained that the time between December 31, 2018, and the adoption date of the new

permit, January 24, 2019, will be included in the Year 1 annual report for the new permit term. He continued his training by outlining the schedule of events for obtaining permit coverage under the new permit. He stated that the District will have 180 days from January 24, 2019, to obtain permit coverage. Permit coverage will include preparation of a new Stormwater Management Program (SWMP) and submittal of a Notice of Intent (NOI) to the TCEQ. A public meeting will be held as necessary based on significant public interest generated by public comments. Mr. Beyer further explained that once permit coverage is achieved, the District will execute the program elements of Year 1 as outlined in the District's new SWMP during the fourth quarter of 2019.

Following review and discussion, Director Gornet moved to approve the Year 5 annual SWMP report, subject to Board review. Director Ming seconded the motion, which carried unanimously.

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

Mr. Gannaway updated the Board regarding lake maintenance in the District. No written report was presented.

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

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

Mr. Kelly updated the Board regarding the PS Lightwave request for 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. He stated ABHR has finalized the documents, which are ready to be approved by the Board. 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. Director Ming seconded the motion, which passed unanimously.

Mr. Kelly presented 0.168-acre, 0.033-acre and 0.059-acre storm sewer easement requests from Fluor for three storm sewer outfalls related to the development of construction plans which will be dedicated to the City of Sugar Land ("Easements"). After review and discussion, Director Ming moved to approve the Easements and direct that they be filed appropriately and retained in the District's official records. Director Gornet seconded the motion, which passed unanimously.

Mr. Kelly recommended the Board approve irrigation repairs totaling \$1,126.94, which were completed by Ridgewood per the District's agreement. After review and discussion, Director Ming moved to approve the repairs in the amount of \$1,126.94 to be completed per the District's agreement with Ridgewood. Director Gornet seconded the motion, which passed unanimously.

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

Mr. Kelly discussed modifications to the gate in the lake in Section 28, including proposed plans for the fabrication and installation, and stated the work is estimated to cost \$311,520. He stated LJA is working with the contractor on pricing of a second option.

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

PARK MAINTENANCE

Mr. Kelly updated the Board regarding the drinking water fountains purchase and installation. He stated LJA received two bids for the drinking water fountains purchase and installation, but noted one contractor submitted the bid on an incorrect form so it could not be tabulated. He recommended the Board award the contract to Division III + Constructors, Inc. in the amount of \$165,116.00. After review and discussion, Director Gornet moved to award the contract to Division III + Constructors, Inc. in the amount of \$165,116.00. Director Ming seconded the motion, which passed unanimously. The Board requested LJA attempt to reduce the price and present change orders, if possible, at the next meeting.

The Board reviewed the February TCA memorandum, a copy of which is attached. After review and discussion, Director Gornet moved to approve the following items: 1.) Item No. 1 to repair damaged brick fences at 1226 Pelham Place in the amount of \$1,500; 2.) Item No. 2 to repair damaged brick fences at 6802 Arborwood Lane in the amount of \$1,600; and 3.) Item No. 3 to repair damaged brick fences at 4802 Burclare Court in the amount of \$2,400. Director Ming 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 February, 2019, and the bills for payment from the tax account, a copy of which is attached. She stated 67.16% 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.

Ms. Humphries reviewed the Resolution Concerning Exemptions from Taxation. After review and discussion, Director Ming moved to adopt the Resolution Concerning Exemptions from Taxation rejecting all exemptions. Director Gornet seconded the motion, which carried unanimously.

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

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

Mr. Perry stated LMS observed sink holes near the weir wall at pump station no. 1, which LMS will address.

Mr. Perry discussed the City of Sugar Land's request for the District to repair or replace the cap on a column of the University Boulevard bridge. Discussion ensued regarding responsibility for the repairs and it was noted the District would only repair damage or issues that were related to drainage. The Board discussed a memorandum from the City of Sugar Land to the TCA acknowledging the TCA is responsible for any aesthetic improvements or repairs to the bridge. The Board directed LMS to seal the cap to prevent structural damage and provide the TCA pricing to repair or replace the cap.

Mr. Perry reported Fort Bend County Drainage District is completing the Ditch H sloughing repairs.

Director Gornet discussed the TCA's request for the District to paint a water pipeline attached to a bridge. Ms. Humphries informed the Board, the District cannot legally paint the pipeline since it is not either a District facility, or related to drainage or parks.

Mr. Perry discussed various requests for landscape lighting repairs. He stated the electrical boxes are substantially damaged and most need to be replaced. The Board took no action regarding this item.

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

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT SUMMER CONFERENCE

The Board considered approving reimbursement to the directors for expenses incurred by attending the AWBD winter conference and authorizing attendance at the AWBD summer conference. Ms. Perry stated the reimbursement for expenses was submitted in accordance with the District's Travel Reimbursement Guidelines. After review and discussion, Director Ming moved to approve reimbursement of the AWBD winter conference expenses and authorize attendance by all interested directors at the summer AWBD conference, June 13-16, 2019 in Fort Worth, Texas. Director Gornet 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. Following review and discussion, Director Ming moved to approve the bookkeeper's report, including payment of the bills. Director Gornet 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.

ATTORNEY'S REPORT

The Board discussed continuing education opportunities.

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, AND SCHEDULE FOR NEXT MEETING

Director Gornet updated the Board regarding the Fort Bend Flood Management Association meeting.

The Board discussed its regular meeting date and concurred to meet on March 14, 2019, at 11:30 a.m.

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





Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Document detailing the effects of refunding	2
Year 5 annual report for SWMP and summary of TCEQ permit renewal process	3
Maintenance and mowing report,	4
Engineer's report from LJA	4
TCA Memorandum	5
Tax assessor/collector's report.....	6
Report regarding maintenance and facility repairs	6
Bookkeeper's report.....	7