

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS**

July 5, 2016

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2 §

The Board of Directors (the "Board") of First Colony Levee Improvement District No. 2 of Fort Bend County, Texas (the "District"), met in regular session, open to the public, at 12:00 p.m. on July 5, 2016 at the offices of Coats Rose, P.C., 9 Greenway Plaza, Suite 1100, Houston, Texas 77046, a designated meeting place outside the boundaries of the District; whereupon, the roll of the members of the Board of Directors was called:

Ron Frerich	-	President
Christine M. Lukin	-	Vice President
Zach Weimer	-	Secretary

All members of the Board of Directors were present except Director Weimer, thus constituting a quorum.

Also present at the meeting were Tara Klein of Four and One LLC ("4&1"); Debbie Arellano of Bob Leared Interests ("BLI"), the District's tax assessor/collector ("TAC"); Jason Klump of Storm Water Solutions, LP ("SWS"), the District's Operator; Les Griffith of Champions Hydro-Lawn, Inc. ("Champions"); Craig Kalkomey of Jones & Carter ("J&C"), the District's Engineer; Karrie Kay of Myrtle Cruz, Inc. ("MCI"), the District's Bookkeeper; John Cannon and K. Greer Kuras of Coats Rose, P.C. ("Coats Rose"), legal counsel for the District; and Shannon Waugh of Off Cinco, a potential consultant for the District.

Whereupon, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. A copy of the posted agenda notice is attached hereto as Exhibit "A".

HEAR FROM THE PUBLIC

No member of the public was present.

HEAR PRESENTATION FROM SHANNON WAUGH OF OFF CINCO

The Board recognized Ms. Shannon Waugh of Off Cinco, who presented upon Off Cinco's website management services. After consideration and upon a motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to hire Off Cinco as its fclid2.com website manager.

APPROVAL OF MINUTES

The Board considered approving the minutes of the regular Board meeting held on May 24, 2016; May 27, 2016; and June 7, 2016. Director Lukin requested one correction on page two of the June 7 minutes. After consideration and upon a motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to approve such minutes as corrected.

TAX COLLECTOR'S REPORT

The Board recognized Ms. Arellano who reported that 99.869% of the 2014 tax levy and 99.227% of the 2015 tax levy have been collected as of June 30, 2016.

After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to authorize payments from the tax account and to approve the tax collector's report, a copy of which is attached hereto as Exhibit "B".

CHAMPIONS HYDRO-LAWN REPORT

The Board recognized Mr. Les Griffith who presented Champions' report, a copy of which is attached hereto as Exhibit "C". Mr. Griffith reported that levee system maintenance was completed on June 30, 2016, and that the grass on the tops, slopes, and bottoms looks good.

The Board instructed Mr. Klump to engage a contractor to install the pre-fabricated 6-foot fence with a walk-gate that the Board approved at its previous meeting and to contact either Tim's Fences or Harrison Fence to obtain quotes. The Board also instructed Mr. Griffith (i) to treat the fire ants on the levee during the regular monthly mowing and (ii) to follow up with contacting Lake Management to consult on the water quality of the lakes.

After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to approve Champions' report.

OPERATOR'S REPORT

The Board recognized Mr. Klump, who presented and reviewed Storm Water Solutions' monthly management report, a copy of which is attached hereto as Exhibit "D".

During the past month, the pump station and related equipment were inspected on a daily basis to insure proper operation. All outfall structures, drainage ditches, back slope drains, drainage swales, levees, and easements were inspected weekly or as weather permitted. A constant weather watch was maintained on a local and regional basis, as well as the Brazos River stages at Richmond. River reports are attached as part of Exhibit "D".

Storm Water Solutions continues testing genset and load bank for an hour, weekly, on the pump stations. The Operator also continues debris removal and housekeeping throughout the pump station and storage building. Weekly log sheets on-site are maintained. Quarterly maintenance on generator and load bank was completed in April. Next scheduled quarterly maintenance will take place in July. Storm Water Solutions tests the District's radios on Ft. Bend

County's weekly radio checks on the FB EOC channel. Radios are operating correctly.

Mr. Klump also reported that (i) there had been a problem with the generator charging and he was investigating the matter, (ii) the Windstream line had gone down for a period, and (iii) he had ordered a new gauge.

The Operator further reported that he will continue to monitor a sink hole discovered near the levee; that all of the items the Board instructed him to purchase at last month's regular meeting were purchased; and that proposals for power washing, well repairs, fencing, new cameras, and a driveway are also attached to his report. The Board examined and discussed each proposal and asked for a quote on a concrete driveway at the pump station.

After discussion and upon motion by Director Frerich, seconded by Director Lukin, the Board voted unanimously to approve the power washing as proposed, the well repairs for no more than \$5,000, and the camera installation for no more than \$3,000.

After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to approve the Operator's report.

ENGINEER'S REPORT

The Board recognized Mr. Kalkomey of J&C who presented the Engineer's report, attached hereto as Exhibit "E".

Review Proposed Capital Improvements Budget - Attached is a copy of the District's updated CIP for 2016. There are no changes since the June Board meeting.

Project Reports, Change Orders, and Pay Estimates – Float System Replacement – Due to the rain event, the Engineer and NTS were not able to begin the work necessary for the replacement. We are working together to complete this work as quickly as possible before the August Board meeting.

Emergency Action Plan (EAP) Updates - Storm Water Solutions and J&C have discussed changes to the District's EAP from the May 2016 Event.

a. Readiness Level Changes

1. Level IV (Routine)- Below Richmond Gage 40' (Gravity Outflow)

a. Unchanged

2. Level III (Increased Readiness)- Richmond Gage 40' to 50' (Limited or No Gravity Outfall)

a. Upper Limit Raised from 48' to 50'

3. Level II (High Readiness)- Richmond Gage 50' to 52' (Minor Interior Flooding if Breached)

a. Lower Limit Raised from 48' to 50' and upper Limit Raised from 50' to 52'

4. Level I (Max. Readiness)- Richmond Gage Above 52' (Major Interior Flooding if Breached)

a. Limit Raised from 52'

b. Operational Changes / Additions

1. Update Richmond Gage to District elevation table.
2. Add emergency vendors for pumps, commercial dive team (gate failures), rental-able portable dams (WIPP, Tiger, etc.)
3. Add process for allowing a chosen director to authorize emergency repairs, emergency changes to the EAP, and/or sharing of District equipment without requiring a Board meeting. The Director could be chosen prior to each event depending on who is most available or in order of board position.
4. Update depth area grids for 2014 LIDAR at critical depths (in progress).
5. Create map of potential roadway issues impacting access to/from District during localized events.
6. Staffing plan to rotate personnel for long duration events.
7. Print District Maps and Plans for Storage Building.

After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to approve both the changes to the EAP and the Engineer's report.

BOOKKEEPER'S REPORT

The Board recognized Ms. Kay of Myrtle Cruz, Inc., who presented for the Board's review and approval the bookkeeper's report. She reported on the status of the District's various accounts and reviewed the Operating Account checks prepared for the Board's review and approval. A copy of the Bookkeeper's report is attached hereto as Exhibit "F".

After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to approve the Bookkeeper's Report and to authorize payment of the District's bills.

FOUR AND ONE LLC (4&1)

Consider Taking Any Action in Connection with City of Sugar Land 4B Corporation

The Board recognized Ms. Klein. She reported that 4B Corporation needs to know

whether the District plans to accept the grant by approximately September 1, 2016.

Discuss Letter to residents and Take Any Necessary Action on Same

The Board reviewed the original letter and Director Weimer's suggested changes. After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to instruct Ms. Kuras, counsel for the District, to make several changes and deliver the letter to the Tax Assessor Collector for distribution by mail to residents.

Consider Replacement of Park Benches

After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to replace certain park benches on district property in an amount not to exceed \$25,000.

ATTORNEY'S REPORT

Consider Adopting Resolution Relating to Texas Water Code §49.199 and Resolutions Setting Parameters on Authority of Directors to Authorize Consultant Work; Consider Adopting Policy Limiting Landscape Expenditures or Expenditures Not Related to Core Levee Maintenance

The Board deferred action on a resolution relating to §49.199 until the next regular meeting and directed the attorneys to not proceed with drafting resolutions pertaining to limiting landscaping expenditures or expenditures not relating to core levee maintenance.

Consider Approving Insurance Renewal

After discussion and upon motion by Director Lukin, seconded by Director Frerich, the Board voted unanimously to approve the proposed insurance renewal.

Future Meetings

Mr. Cannon reported that the next "ring levee" meeting is scheduled for July 12, 2016. Director Frerich stated that he would attend and expressed his desire to have one of the regular meetings scheduled for 2016 in the District and suggested the October or November meeting. Finally, Director Frerich requested notation in these minutes that one of the District's consultants was threatened at one of the recent meetings held in the District, and that such behavior will not be tolerated.

PASSED, APPROVED, and ADOPTED this 2nd day of August, 2016.

(DISTRICT SEAL)



Zachary Weimer
Secretary, Board of Directors

**AGENDA AND NOTICE OF MEETING
FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2
OF FORT BEND COUNTY, TEXAS**

Notice is hereby given pursuant to V.T.C.A., Government Code, Chapter 551, that the Board of Directors of **First Colony Levee Improvement District No. 2** of Fort Bend County, Texas (the "District") will hold a regular meeting, open to the public, on **Tuesday, July 5, 2016, at 12:00 p.m.** at the offices of **Coats Rose, 9 Greenway Plaza, Ste. 1100, Houston, Texas 77046**, a designated meeting place outside the boundaries of the District, to consider and act upon the following:

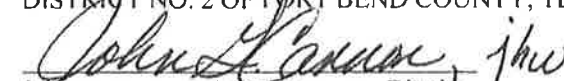
1. Hear from the public;
2. Hear presentation from Shannon Waugh of Off Cinco;
3. Approve minutes of the special meeting held May 24, 2016; the emergency meeting held May 27, 2016; and the regular meeting held June 7, 2016;
4. Approve Tax Collector's report, including but not limited to:
 - (a) authorize payments from the tax account;
 - (b) review delinquent tax account list;
5. Hear report from Champions Hydro-Lawn, including but not limited to:
 - (a) discuss authorizing mowing levee;
 - (b) discuss proposals to repair levee;
 - (c) discuss repair/landscaping projects in the District and take appropriate action;
 - (d) consider bids to clear pipeline easement;
6. Hear Operator's report, including but not limited to:
 - (a) review and approval of proposed repair and maintenance items;
7. Hear Engineer's report, including but not limited to:
 - (a) review capital improvements budget;
 - (b) consider approval of report, pay estimates and change orders for projects;
 - (c) consider changes to emergency action plan;
8. Approve Bookkeeper's report, including but not limited to:
 - (a) authorize payment of the bills of the District;
9. Hear report from Four and One, LLC on park and recreational projects including:
 - (a) discuss letter to residents and take any necessary action on same;
 - (b) schedule any necessary meetings;
 - (c) consider taking any action in connection with City of Sugar Land 4B Corporation grant including approving agreement with City;
 - (d) consider authorizing advertisement for bid of park and recreational projects;
 - (e) consider replacement of park benches;
10. Hear Attorney's report, including but not limited to:
 - (a) discuss "ring levee" issues and take any necessary actions;
 - (b) consider adopting resolutions relating to Texas Water Code § 49.199 and resolutions setting parameters on authority of directors to authorize consultant work;
 - (c) consider adopting policy limiting landscape expenditures or expenditures not related to core levee maintenance; and
 - (d) consider approving insurance renewal.

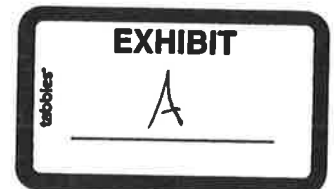
Pursuant to V.T.C.A., Government Code, Chapter 551, the Board of Directors may convene in closed session to receive advice from legal counsel and discuss matters relating to pending or contemplated litigation, personnel matters, real estate transactions, gifts and donations, security devices and/or economic development negotiations.

EXECUTED this 29th day of June, 2016.



FIRST COLONY LEVEE IMPROVEMENT
DISTRICT NO. 2 OF FORT BEND COUNTY, TEXAS


John G. Cannon, Attorney for the District



TAX COLLECTOR'S OATH

First Colony LID #2 }

STATE OF TEXAS

COUNTY OF Fort Bend }

BOB LEARED, BEING duly sworn, states that he is the Tax Collector for the above named taxing unit and that the foregoing contains a true and correct report, accounting for all taxes collected on behalf of said taxing unit during the month therein stated.

Bob Leared
BOB LEARED

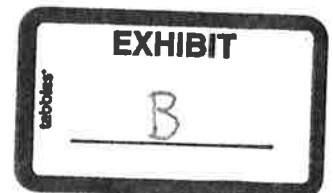
SWORN TO AND SUBSCRIBED BEFORE ME, this 2nd day of
July, 2016.

Michelle Guerrero
NOTARY PUBLIC, STATE OF TEXAS

(SEAL)



Submitted to Taxing Unit's Governing Body on _____.



FIRST COLONY L.I.D. #2
TAX ASSESSOR/COLLECTOR'S REPORT

6/30/2016

Taxes Receivable: 8/31/2015	\$	6,683.69	
Reserve for Uncollectables	(218.07)	
Adjustments		<u>52.07</u>	\$ <u>6,517.69</u>
Original 2015 Tax Levy	\$	1,187,232.05	
Adjustments		<u>57,173.14</u>	<u>1,244,405.19</u>
Total Taxes Receivable			\$ 1,250,922.88
Prior Years Taxes Collected	\$	3,953.83	
2015 Taxes Collected (99.2%)		<u>1,234,779.96</u>	<u>1,238,733.79</u>
Taxes Receivable at: 6/30/2016			\$ <u>12,189.09</u>

2015 Receivables:

Debt Service

Maintenance 9,625.23

bob leared interests

11111 Katy Freeway, Suite 725
Houston, Texas 77079-2197

Phone: (713) 932-9011
Fax: (713) 932-1150

FIRST COLONY L.I.D. #2

	Month of 6/2016	Fiscal to Date 10/01/2015 - 6/30/2016
Beginning Cash Balance	\$ 33,537.64	19,009.23
Receipts:		
Current & Prior Years Taxes	1,575.08	1,238,313.69
Penalty & Interest	154.21	4,176.68
Additional Collection Penalty		866.39
Overpayments		95.89
NSF Fee Collected		30.00
Refund - due to adjustments		551.26
Returned Checks (NSF)		1,195.50
TOTAL RECEIPTS	\$ 1,729.29	1,245,229.41
Disbursements:		
Atty's Fees, Delq. collection	18.49	1,563.12
Atty's Fees, Tax Related		89.09
CAD Quarterly Assessment	1,640.06	5,298.87
Publications, Legal Notice		472.50
Refund - due to adjustments		551.23
Refund - due to overpayments	12.51	93.82
Transfer to General Fund	5,000.00	1,210,000.00
Tax Assessor/Collector Fee	1,463.52	13,378.86
Return Check (NSF)		1,195.50
Computer Cost		385.70
Postage	7.23	1,968.62
Supplies		216.46
NSF Fee to BLI		30.00
Records Maintenance		90.00
Copies		500.21
Envelopes - Original Stmts		140.25
Duplicate Statements		3.75
Mileage Expense	15.12	125.86
Supp/Corr Mailing (Envelopes)		44.60
Envelopes - Feb Delinq Stmts		8.55
Envelopes - May Del Stmts		2.25
Tax A/C Board Requested Work		969.40
TOTAL DISBURSEMENTS	(\$ 8,156.93)	(1,237,128.64)
CASH BALANCE AT: 6/30/2016	\$ <u>27,110.00</u>	<u>27,110.00</u>

FIRST COLONY L.I.D. #2

Disbursements for month of July, 2016

Check #	Payee	Description	Amount
1069	Bob Leared	Tax Assessor/Collector Fee	\$ 1,470.75
TOTAL DISBURSEMENTS			\$ 1,470.75
Remaining Cash Balance			\$ <u>25,639.25</u>

Wells Fargo Bank, N.A.

FIRST COLONY L.I.D. #2

HISTORICAL COLLECTIONS DATA

Year	Collections Month Of 6/2016	Adjustments To Collections 6/2016	Total Tax Collections at 6/30/2016	Total Taxes Receivable at 6/30/2016	Collection Percentage
2015	1,575.08		1,234,779.96	9,625.23	99.227
2014			1,126,418.32	1,477.99	99.869
2013			1,147,225.70	1,085.87	99.905
2012			1,135,661.30		100.000
2011			1,137,976.07		100.000
2010			1,137,919.15		100.000
2009			1,160,814.36		100.000
2008			1,138,833.73		100.000
2007			1,137,982.99		100.000
2006			1,090,442.35		100.000
2005			1,256,364.40		100.000
2004			1,228,967.82		100.000
2003			1,223,956.32		100.000
2002			1,172,198.31		100.000
2001			1,018,273.89		100.000
2000			964,630.84		100.000
1999			936,213.35		100.000
1998			935,280.18		100.000
1997			934,630.90		100.000
1996			910,383.14		100.000
1995			900,608.85		100.000
1994			902,758.94		100.000
1993			888,906.92		100.000
1992			739,428.47		100.000
1991			608,067.96		100.000
1990			445,144.06		100.000
1989			291,354.91		100.000
1988			84,718.90		100.000

(Percentage of collections same period last year 99.350)

HISTORICAL TAX DATA

Year	Taxable Value	SR/CR	Tax Rate	Adjustments	Reserve for Uncollectibles	Adjusted Levy
2015	497,760,830	00/12	.250000	57,173.14		1,244,405.19
2014	451,157,413	00/25	.250000	104,873.86		1,127,896.31

FIRST COLONY L.I.D. #2

HISTORICAL TAX DATA

Year	Taxable Value	SR/CR	Tax Rate	Adjustments	Reserve for Uncollectibles	Adjusted Levy
2013	417,567,250	00/39	.275000	39,227.64		1,148,311.57
2012	412,967,180	00/54	.275000	65,472.28		1,135,661.30
2011	413,808,870	00/63	.275000	19,169.79		1,137,976.07
2010	413,788,170	09/67	.275000	54,897.96		1,137,919.15
2009	407,303,110	24/54	.285000	182,071.71		1,160,814.36
2008	386,045,209	33/77	.295000	84.51-		1,138,833.73
2007	361,264,340	08/00	.315000	172.34-		1,137,982.99
2006	346,172,080	21/00	.315000	591.05-		1,090,442.35
2005	335,030,056	31/00	.375000	185.97-		1,256,364.40
2004	319,212,339	35/00	.385000	5,253.70		1,228,967.82
2003	312,233,737	11/00	.392000	8.75		1,223,956.32
2002	299,030,161	15/05	.392000	191.60-		1,172,198.31
2001	297,740,880	16/00	.342000	374.25-		1,018,273.89
2000	282,055,790	21/00	.342000	4.43		964,630.84
1999	261,001,770	00/00	.358700	590.24-		936,213.35
1998	249,408,140	00/00	.375000	52.65		935,280.18
1997	245,955,540	00/00	.380000	266.88-		934,630.90
1996	239,574,600	00/00	.380000	546.86		910,383.14
1995	237,002,360	00/00	.380000	471.63		900,608.85
1994	211,418,930	00/00	.427000	701.34		902,758.94
1993	161,619,058	00/00	.550000	79.04-		888,906.92
1992	125,442,000	00/00	.590000	723.38-		739,428.47
1991	99,820,170	00/00	.610000	750.98-	120.17	608,067.96
1990	85,954,000	00/00	.518000	3,275.58	97.90	445,144.06
1989	52,973,480	00/00	.550000	159.34		291,354.91
1988	12,299,950	00/00	.450000	29,368.91		84,718.90

FIRST COLONY L.I.D. #2

TAX RATE COMPONENTS

Year	Debt Service Rate	Debt Service Levy	Maintenance Rate	Maintenance Levy
2015			.250000	1,244,405.19
2014			.250000	1,127,896.31
2013	.025000	104,391.97	.250000	1,043,919.60
2012	.035000	144,538.68	.240000	991,122.62
2011	.185000	765,547.57	.090000	372,428.50
2010	.185000	765,509.28	.090000	372,409.87
2009	.195000	794,241.37	.090000	366,572.99
2008	.195000	752,788.34	.100000	386,045.39
2007	.205000	740,592.16	.110000	397,390.83
2006	.215000	744,270.19	.100000	346,172.16
2005	.225000	753,818.64	.150000	502,545.76
2004	.235000	750,149.18	.150000	478,818.64
2003	.245000	764,972.70	.147000	458,983.62
2002	.252000	753,556.01	.140000	418,642.30
2001	.252000	750,307.07	.090000	267,966.82
2000	.282000	795,397.36	.060000	169,233.48
1999	.298700	779,612.29	.060000	156,601.06
1998	.315000	785,635.35	.060000	149,644.83
1997	.320000	787,057.63	.060000	147,573.27
1996	.320000	766,638.47	.060000	143,744.67
1995	.320000	758,407.49	.060000	142,201.36
1994	.350000	739,966.32	.077000	162,792.62
1993	.470000	759,611.41	.080000	129,295.51
1992	.510000	639,167.00	.080000	100,261.47
1991	.360000	358,859.76	.250000	249,208.20
1990	.418000	359,231.26	.100000	85,912.80
1989	.450000	238,328.32	.100000	53,026.59
1988	.450000	84,718.90		

FIRST COLONY L.I.D. #2

Tax Exemptions:	2015	2014	2013
Homestead	.000	.000	.000
Over 65	0	0	0
Disabled	0	0	0

Last Bond Premium Paid:

Payee	Date of Check	Amount
Harco Insurance Services	10/06/2014	250.00
08/07/14-08/07/17		

Adjustment Summary:	2015	
10/2015	/ CORR 004	44,119.39
11/2015	/ CORR 005	45.00-
12/2015	/ CORR 007	11,742.67
1/2016	/ CORR 008	5.87-
2/2016	/ CORR 009	1,045.00
3/2016	/ CORR 010	31.40-
4/2016	/ CORR 011	348.35
TOTAL		57,173.14

FIRST COLONY L.I.D. #2
Homestead Payment Plans

<u>Account no.</u>	<u>Property Owner</u>	<u>Tax Year</u>	<u>Last Payment Amount</u>	<u>Last Payment Date</u>	<u>Balance Due</u>
*Total	Count 0				
(I) - BLI Contract	(A) - Delinquent Attorney Contract				

Standard Payment Plans

<u>Account no.</u>	<u>Property Owner</u>	<u>Tax Year</u>	<u>Last Payment Amount</u>	<u>Last Payment Date</u>	<u>Balance Due</u>
*Total	Count 0				

FIRST COLONY L.I.D. #2

Top Delinquent Taxpayers

7/05/16 (Maximum of 40)

Code	Description
B	Bankrupt
C	Payment Contract
D	Deferred Over 65
S	Suit Pending
P	Partial Payment
Q	Quarter Payments
L	CAD Law Suit
H	Homestead Contract

Taxpayer	2015	Prior Years	This Month Totals
[REDACTED]	2,304.87	83.24	2,388.11
[REDACTED]	1,376.93		1,376.93
[REDACTED]	1,333.30		1,333.30
[REDACTED]	1,191.85	1,085.87	2,277.72
[REDACTED]	1,188.35		1,188.35
[REDACTED]	1,055.95		1,055.95
[REDACTED]	884.33		884.33
[REDACTED]	24.25	24.25	48.50
[REDACTED]		1,370.50	1,370.50
Report Totals	9,359.83	2,563.86	11,923.69
Total delinquent	9,359.83	2,563.86	11,923.69

Champions

HYDRO - LAWN

Erosion Control Specialist since 1976

FIRST COLONY LID #2 Levee, Detention and Drainage Facilities Report

July 5, 2016



13226 Kaltenbrun ~ Houston, Texas 77086

Cell: 281-898-1585 ~ Office: 281-445-2614 ~ Fax: 281-445-2349

Account Representative: Les Griffith ~ Email: Lgriffith@champhydro.com



Maintenance Update Report
Presented By:



I. First Colony LID #2 Levee:

- a. The levee maintenance was completed June 30, 2016.
- b. Grass on tops, slopes and bottoms look good.





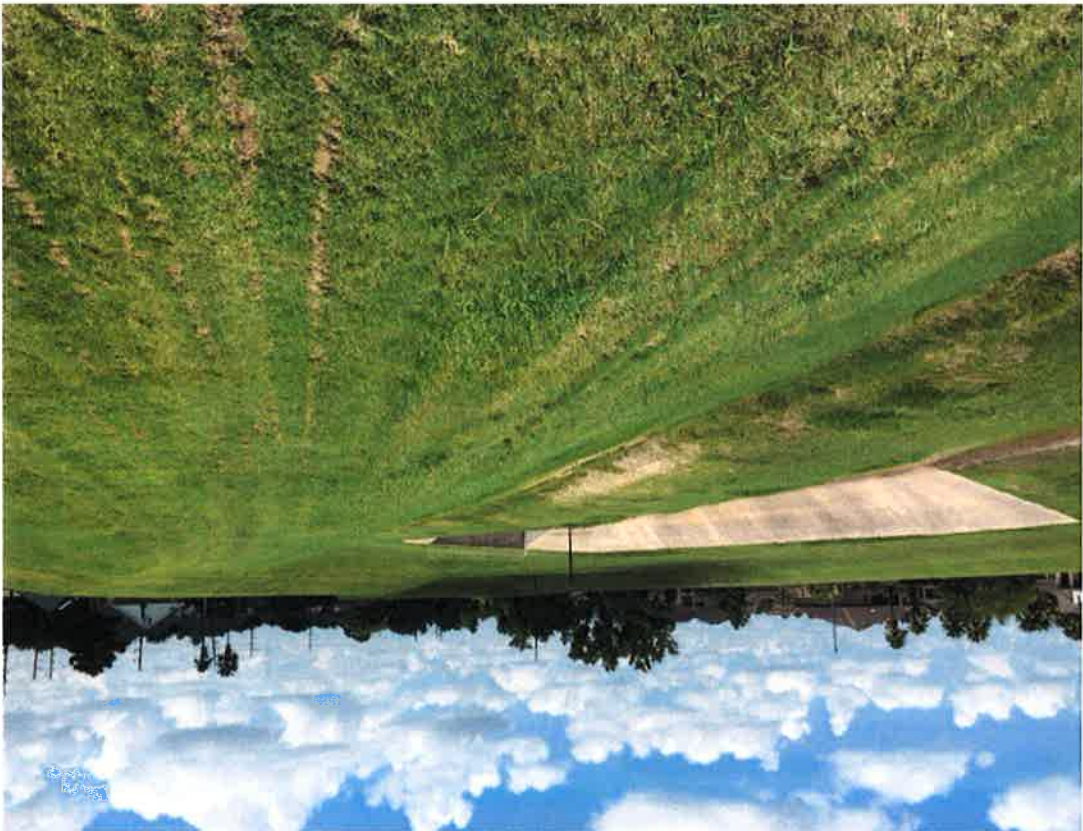






Perimeter Levee







Northwest section of levee system.



Northwest Detention Pond





Alcorn Bayou Pond



Area to Be Seeded





FIRST COLONY LEVEE IMPROVEMENT DISTRICT NO. 2

OPERATOR'S REPORT

July 5, 2016

The following monthly Operator's Report is submitted to The Board of Directors of First Colony Levee Improvement District No. 2 for review and approval:

I. GENERAL

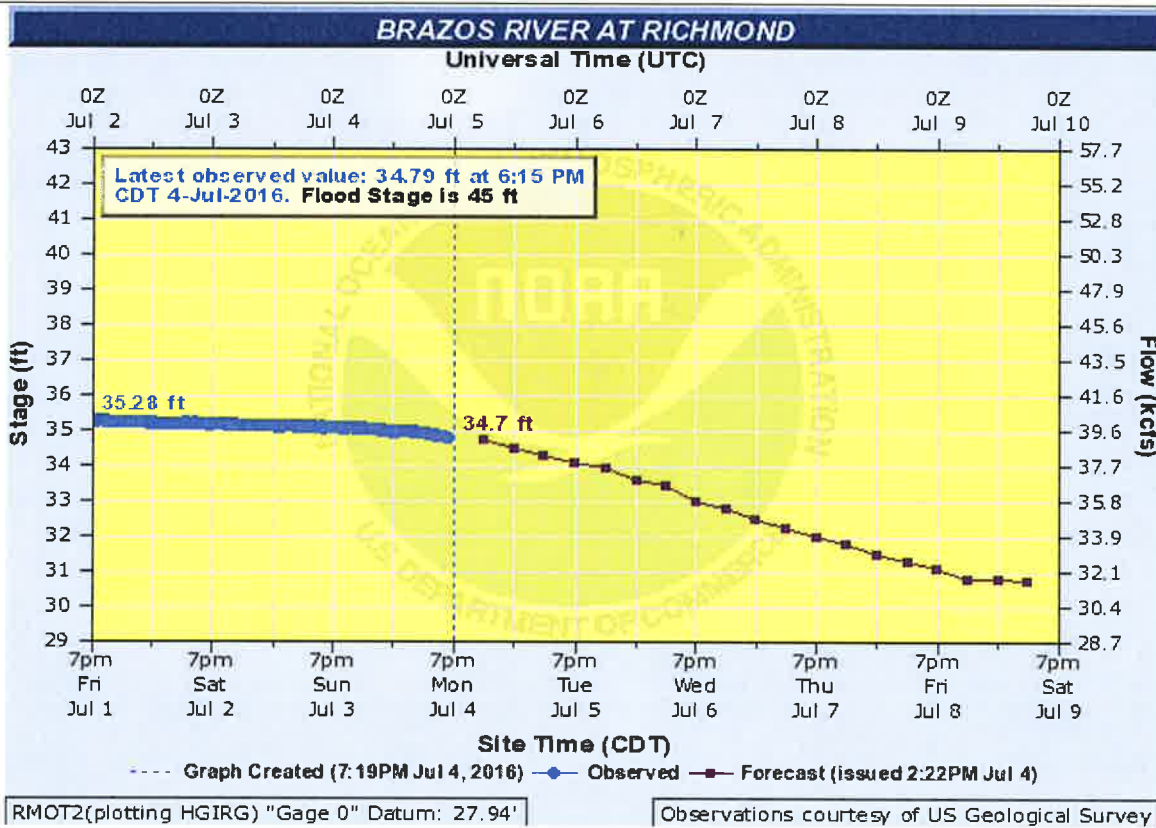
During the month of June 2016, the pumping station and related equipment were inspected on a daily basis to insure proper operation. All outfall structures were inspected at least once a week, as weather permitted. In addition, all drainage ditches, back slope drains, drainage swales, levees and easement were inspected weekly, as weather permitted. A constant weather watch was maintained on a local and regional basis, as well as the Brazos River stages at Richmond. River reports are attached as well.

II. PUMPING STATION

Both Pumps are in place. SWS continues testing genset and load bank for an hour, weekly. We also continue debris removal and good housekeeping measures throughout the pump station and storage building. Weekly log sheets on-site and are maintained. Quarterly maintenance on generator and load bank was completed in April. Next scheduled quarterly maintenance date will take place in July. SWS tests the district's radios on Ft. Bend County's weekly radio checks on the FB EOC channel. Radios operating correctly.

Storage Building





SWS has purchased 21 plastic bins to replace the old flood sax boxes. Still need 5 more to complete job. SWS also purchased 4 life jackets, two spotlight (q-beam's) for night patrols, and a speakerphone (with mute capabilities) for participation in future conference calls.









Attached - River report, proposals for requested work, and rainfall map.

8 BRIARWOOD AND CAMBRIDGE, SUTTON FOREST SEALANT \$1,263.00

TOTAL TO POWER WASH \$22,825.00

TOTAL FOR SEALANT \$12,556.25

TOTAL FOR ABOVE DESCRIBED WORK.....\$35,381.25

**IF ANY EXTRA NEEDS TO BE DONE, IT WILL BE BILLED SEPARATELY

WE APPRECIATE THE OPPORTUNITY TO QUOTE THIS JOB FOR YOU. IF YOU HAVE ANY QUESTIONS, PLEASE CALL AT YOUR CONVENIENCE.

THE PRICES QUOTED ARE GOOD FOR (30) DAYS AND SUBJECT TO CHANGE AFTER 30 DAYS.

IF THIS QUOTE IS ACCEPTED, PLEASE INCLUDE THIS QUOTE NUMBER WITH YOUR ACCEPTANCE AND ON YOUR PURCHASE ORDER. EMAIL YOUR PURCHASE ORDER NUMBER TO: alvincontracting@yahoo.com

THANK YOU.

REGARDS,

MARSHALL J. KUS

CELL 281-620-2721



HOUSTON FENCE COMPANY, INC

Since 1952

13300 MURPHY ROAD
STAFFORD, TEXAS 77477

PHONE (281) 499-2516
FAX (281) 499-2742

PROJECT BID

DATE: June 30, 2016
PROJECT: Chain Link Fence
CLIENT: Jake Cyrus
Storm Water Solutions

- **CHAIN LINK FENCE TYPE:** GAW 2" MESH, 9ga
- **POSTS:** 3" 40sch.
- **GATE:** (1) 4'x6' (7' over all with barbed wire) with fork latch.
- **BARBED WIRE:** (3) strands
- **TEAR & HAUL:** N/A

Chain Link Price: **\$ 1,700.00**

Houston Fence will notify the "One Call" center for locating and **marking all public utilities** on and by the property. Price has been quoted **without** field verification. Houston Fence Co. is licensed by the State of Texas No.# B16502 and **insured/bonded through by Allied P & C Insurance Company up to \$5,000,000 liability each occurrence.**

EXCLUSIONS: **Unless noted above.** Clearing, grading or locating and marking private underground utilities. Breaking concrete or asphalt, core drilling or flanging to set fence posts. Electrical grounding of fence. Permits, bonds, waivers of subrogation and naming of additional insured parties. (Unless specifically stated above.)

APPROVAL: _____ **DATE:** _____
(Signature)

Tom Nolen, Sales Representative
Houston Fence Co., Inc.
281-499-2516
tom@houstonfence.com



SecureCheck, LLC
 9800 Centre Parkway Blvd - Suite 120
 Houston, TX 77036 US
 (888) 659-2206
 jack@securechecknow.com
 www.SecureCheckNow.com

Proposal

ADDRESS
Storm Water Solutions 16110 Hollister Street Houston, Texas 77066

SHIP TO
Storm Water Solutions 16110 Hollister Street Houston, Texas 77066

PROPOSAL #	DATE
1159	06/16/2016

ACTIVITY	QTY	RATE	AMOUNT
Install Work to include the following Trenching Setting pole Mounting and programming of camera Misc wire and connectors included in bid	1	1,923.16	1,923.16

Although it is not anticipated, SecureCheck LLC reserves the right to substitute any item(s) captioned herein without prior consent from client, for like or better equipment, for any reason including but not limited to supply/delivery issues. Client to provide lift where required by SecureCheck, 110v power and High-speed/Broad Band Internet Connection(s).

SUBTOTAL	1,923.16
TAX (8.25%)	158.66
TOTAL	\$2,081.82

THE PARTIES TO THIS TRANSACTION
 ACKNOWLEDGE THAT ANY WORK PERFORMED
 AND/OR MATERIALS PROVIDED PURSUANT TO THIS
 INVOICE, PROPOSAL AND/OR STATEMENT AGREE
 TO BE BOUND TO AND SHALL BE GOVERNED BY THE
 TERMS AND CONDITIONS, WHICH CAN BE FOUND AT
<https://securechecknow.com/required-for-terms-and-conditions>

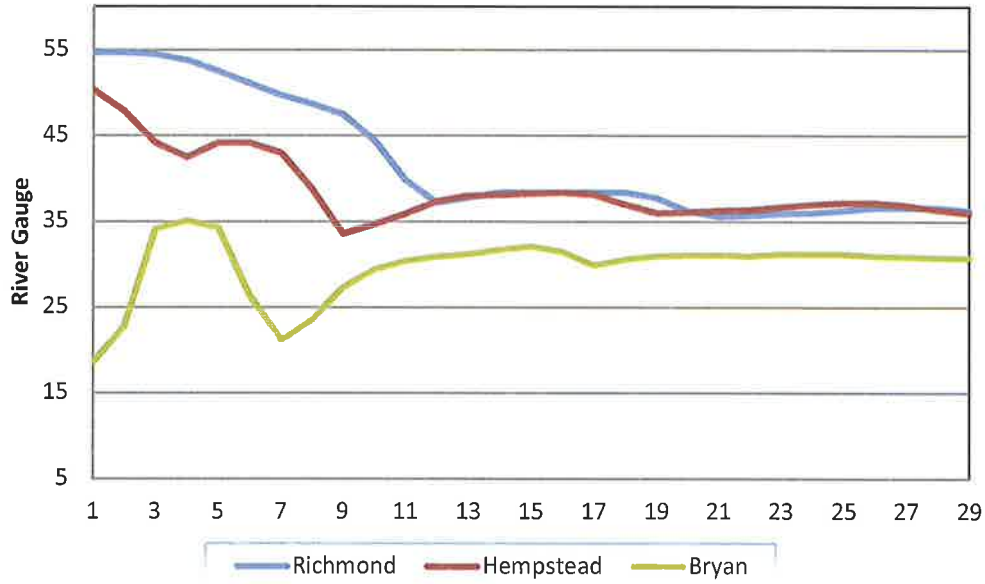
Accepted By

Accepted Date

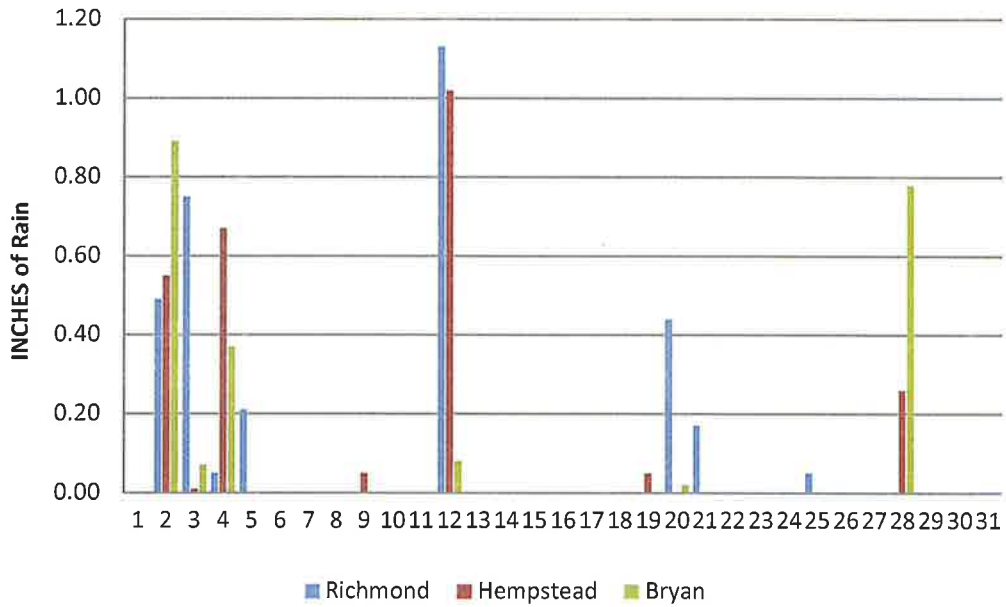
Signature above acknowledges the terms and conditions of the proposed work to be performed as described. Work will commence no later than 30 days from initial down payment.

Texas Department of Public Safety Private Security Bureau License Number C17547 | Fire License ACR-2013220

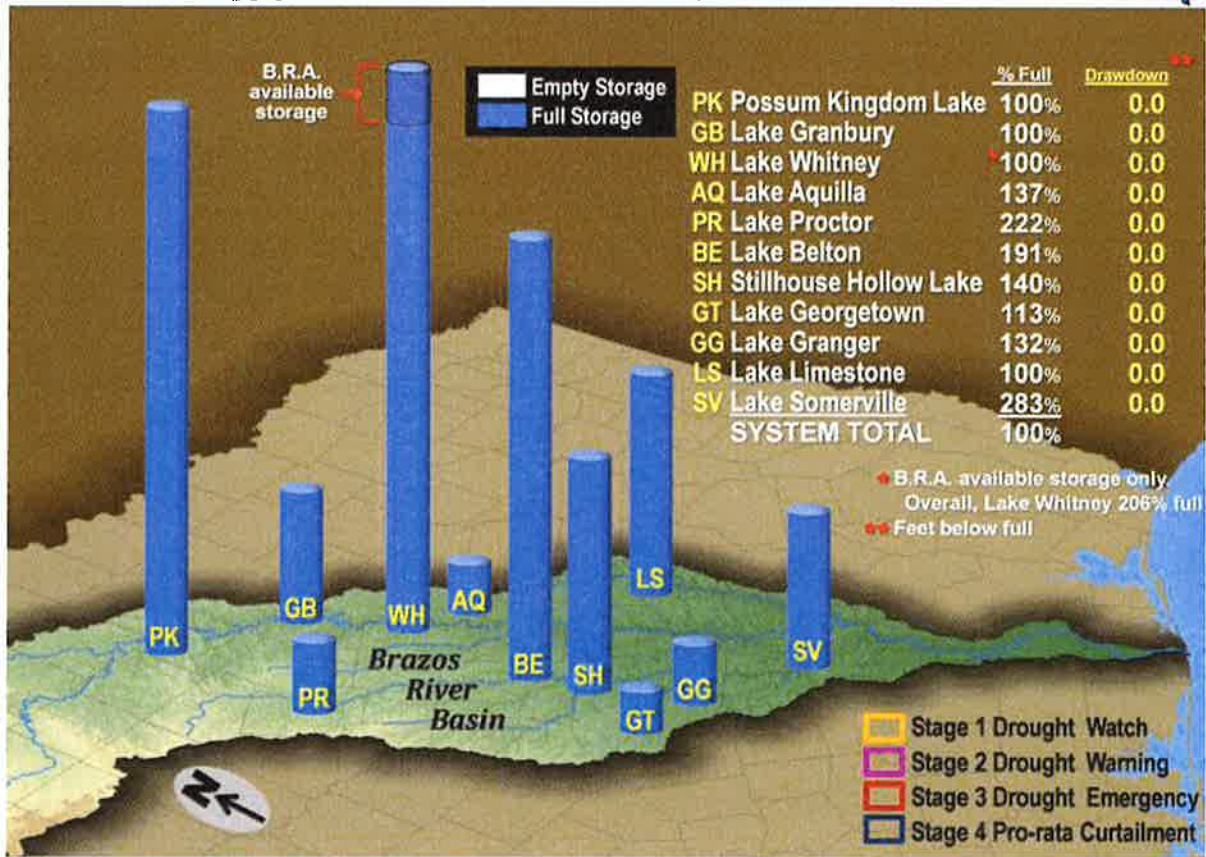
Brazos River June 2016



Rainfall June 2016



B.R.A. Water Supply Reservoirs "PERCENT FULL" June 29, 2016





**CAMINO
SERVICES**

**PROPOSAL
FOR
FIRST COLONY LID2**

DATE : 7/5/2016

To: Storm Water Solutions
Attn: Jason Klump
Billing Address: 16110 Hollister
 Houston TX, 77066

PROJECT: Rock Driveway

Item	Scope / Description of Work:	Qty	UM	Unit Price:	Total Price:
Avondale					
1	Mobilization	1	LS	\$ 625.00	\$ 625.00
2	Cut and compact sub grade to grade and haul off spoils	1	LS	\$ 1,350.00	\$ 1,350.00
3	Installation of 6" compacted crushed concrete driveway atop filter fabric barrier	220	SY	\$ 28.65	\$ 6,303.00
4	Steel Edging	180	LF	\$ 4.35	\$ 783.00
5*	2" Decomposed Granite or River Rock Substitution	220	SY	\$ 10.75	

PROPOSED TOTAL = \$ 9,061.00

* Proposal does not include any lab, bonding, of utility relocates

Authorized by: _____

Signature: _____ Date: _____

LEVEE OPERATIONS INSPECTION

First Colony Levee Improvement District #2

Inspected by: Jason Klump
Inspected on: 06/30/2016

Reviewed by: FCLID #2 Board
Reviewed on: 07/05/2016

Administrative Functions

Readiness for Flood Emergency

1. Name the organization with legal responsibility. First Colony Levee Improvement District #2
2. Name of General Manager or Operator for the District. Storm Water Solutions
3. Is General Manager or Operator responsible for flood fighting operations? Yes No
4. Is there a published flood fighting plan? Yes No
5. Is there an appropriate supply of flood fighting equipment readily available for an emergency? Yes No
District has 480 flood sax stationed at FCLID 2 Storage Bldg and a sand bag machine with 7000 empty bags.
6. Are key personnel trained in flood fighting techniques and use of all equipment? Yes No

Maintenance Program

1. Has General Manager been designated who is responsible for O&M of the project? Yes No
Operator and Engineer currently working on O&M.
2. Is there a published program for inspection and maintenance of the project and its features? Yes No
3. Have there been changes to this program? Yes No
SWS added a weekly maintenance log to the report.
4. Are inspections made in accordance with this program? Yes No
5. Are these inspections documented? Yes No
6. Are these records readily available? Yes No
7. Is the Operation and Maintenance manual furnished by the Engineer available for inspection? Yes No
Currently updating O&M.
8. Does this manual reflect current guidance for Operation and Maintenance of the project? Yes No

Inspection Functions

Maintenance of Levees

Levee: Ring Levee - Primary

1. Is the levee being maintained to the design cross-section? Yes No N/A
2. Is there evidence of seepage, saturated areas, or boils on the levee? Yes No N/A
3. Have necessary repairs been made to cracks, erosion, or other damages? Yes No N/A
4. Are there any indications of scouring? Yes No N/A
5. Are there any indications of slides or sloughs developing? Yes No N/A
6. Is sod cover mowed regularly? Yes No N/A

Mowing frequency is decided by the board, when necessary.

LEVEE OPERATIONS INSPECTION

First Colony Levee Improvement District #2

15. Are cattleguards/gates in good condition? Yes No N/A
16. Are keys to locked gates readily available to personnel? Yes No N/A

All locks are secured by 4 digit combination.

17. List all new non-permitted encroachments in easements.

Maintenance of Drainage Structures

Drainage Structure: Structure at Briarwood Dr.

1. Are flap gates kept in a reasonable state of repair? Yes No N/A
2. Are the flap gates in good operating condition? Yes No N/A
3. Are there cracks or deterioration of concrete? Yes No N/A
4. Does the deterioration of concrete affect the stability of the structure? Yes No N/A
5. Are the drainage systems in good working order? Yes No N/A
6. Are pressure relief wells in good working order? Yes No N/A
7. Are the inlet and outlet channels clear of growth and debris? Yes No N/A
8. Are concrete joints watertight? Yes No N/A
9. Has slope paving around structure been displaced? Yes No N/A
10. Are there voids under the slope paving? Yes No N/A
11. Is there any erosion that might endanger the stability of the structure? Yes No N/A
12. List all new non-permitted encroachments in easements.

Drainage Structure: Burbury St.

1. Are flap gates kept in a reasonable state of repair? Yes No N/A
2. Are the flap gates in good operating condition? Yes No N/A
3. Are there cracks or deterioration of concrete? Yes No N/A

The city owned storm drain pipes are severely damaged.

4. Does the deterioration of concrete affect the stability of the structure? Yes No N/A
5. Are the drainage systems in good working order? Yes No N/A

Drainage ditch was cleaned in July 2014 to allow better drainage with less standing water.

6. Are pressure relief wells in good working order? Yes No N/A
7. Are the inlet and outlet channels clear of growth and debris? Yes No N/A
8. Are concrete joints watertight? Yes No N/A
9. Has slope paving around structure been displaced? Yes No N/A
10. Are there voids under the slope paving? Yes No N/A

LEVEE OPERATIONS INSPECTION

First Colony Levee Improvement District #2

- 4. Are there any unauthorized structures or encroachments obstructing the ditch? Yes No N/A
- 5. Is the ditch free of trash, debris, and undesirable growth? Yes No N/A
- 6. Are all back slope drains free of debris and properly maintained? Yes No N/A
- 7. Are all back slope swales free of debris and properly maintained? Yes No N/A
- 8. Will the ditch function satisfactorily during flood emergencies? Yes No N/A
- 9. List all new non-permitted encroachments in easements.

Drainage Ditch: Ditch and Pond at Briarwood Dr.

- 1. Is the carrying capacity of the ditch reduced by undesirable growth or debris? Yes No N/A
- 2. Have necessary repairs been made to eroded areas? Yes No N/A
- 3. Are side slopes damaged by slides, sloughing, or wave wash? Yes No N/A
- 4. Are there any unauthorized structures or encroachments obstructing the ditch?
Tree growing through interceptor pipe. To be removed by others.

- 5. Is the ditch free of trash, debris, and undesirable growth? Yes No N/A
SWS actively removing any floatable debris from the pond.

- 6. Are all back slope drains free of debris and properly maintained? Yes No N/A
- 7. Are all back slope swales free of debris and properly maintained? Yes No N/A
- 8. Will the ditch function satisfactorily during flood emergencies? Yes No N/A
- 9. List all new non-permitted encroachments in easements.

Control of Encroachment and Trespassing

- 1. Are unauthorized structures located on or adjacent to project features? Yes No N/A
- 2. Is there any unauthorized excavation within the project right-of-way? Yes No N/A
- 3. Are right-of-way boundaries properly identified? Yes No N/A
- 4. Are all pump stations and structures secure from trespassers? Yes No N/A

Control of Wild Growth

- 1. Have trees and undesirable growth been cleared from ditches and levees? Yes No N/A
- 2. Does brush cover or other growth interfere with inspection? Yes No N/A

Control of Burrowing Animals

- 1. Is there an effective program for control of burrowing animals?
Minor hog damage along South Levee.
- 2. Are animal burrows properly filled and compacted? Yes No N/A



6415 Reading Road
Rosenberg, Texas 77471-5655
Tel: 281.342.2033
Fax: 281.232.9909
www.jonescarter.com

July 5, 2016

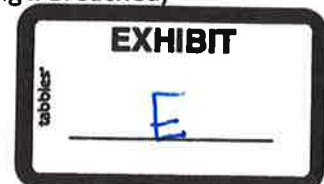
Board of Directors
First Colony LID No. 2
c/o Coats, Rose, Yale, Ryman & Lee, P.C.
9 East Greenway Plaza, Suite 1100
Houston, Texas 77046

Re: June Status Report

Dear Directors:

The following is a brief summary that describes our activities during the past month:

1. **Review Proposed Capital Improvements Budget (Agenda Item 7.a)** – Attached is a copy of the District’s CIP for 2016. There are no changes from the June Board Meeting.
2. **Project Reports, Change Orders, and Pay Estimates (Agenda Item 7.b)** –
 - a. **Float System Replacement:** Due to the event, Jones|Carter and NTS were not able to begin the work necessary for the replacement. We are working together to complete this work as quickly as possible before the August Board Meeting.
3. **Emergency Action Plan (EAP) Updates (Agenda Item 7.c)** – Storm Water Solutions and Jones|Carter have discussed changes to the District’s Emergency Action Plan (EAP) from the May 2016 Event. Below is a summary of the recommendation changes:
 - a. **Readiness Level Changes**
 1. **Level IV (Routine)** – Below Richmond Gage 40’ (Gravity Outflow)
 - a. Unchanged
 2. **Level III (Increased Readiness)** – Richmond Gage 40’ to 50’ (Limited or No Gravity Outfall)
 - a. Upper Limit Raised from 48’ to 50’
 3. **Level II (High Readiness)** – Richmond Gage 50’ to 52’ (Minor Interior Flooding if Breached)
 - a. Lower Limit Raised from 48’ to 50’ and Upper Limit Raised from 50’ to 52’
 4. **Level I (Max. Readiness)** – Richmond Gage Above 52’ (Major Interior Flooding if Breached)
 - a. Limit Raised from 52’



ATTACHMENT A
First Colony Levee Improvement District No. 2
Capital Improvements and Maintenance Plan through Yr2020

First Colony
LID #2

May 3, 2016

	Frequency	Status / Costs ⁽¹⁾	2016	2017	2018	2019	2020
			Budget	Budget	Budget	Budget	Budget
Pump Station / Levee Capital Improvement Projects							
FCLID 2 Pump Test	Annually	FY2016	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Megger Test	2 Years	FY2016		\$1,000		\$1,000	
Pump Station Outfall Inspections (Gravity and Pump)	2 Years	FY2017		\$2,000		\$2,000	
Verify Primary Levee Elevation / Control ⁽⁴⁾	2 Years	FY2016		\$3,000		\$3,000	
Pump Station Stream Gages	5 Years	FY2020					\$1,000
Gate Recoating	10 Years ±	\$20,000					
Fence Replacement	As Needed	On-Going	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Transfer Switch Replacement and Misc. Electrical Repairs	Single	FY2016	\$20,250				
Main Disconnect Replacement	Single	FY2016	\$22,718				
Commonwealth Ditch Grading ⁽⁵⁾	5 Years ±	FY2016	\$15,875				
Outfall Channel Backslope Regrading near University	5 Years ±	FY2016	\$2,300				
Culvert Joint Sealing	Single	FY2016	\$21,000				
Potential Pump Station / Levee Capital Improvement Projects							
Sand Storage/Staging Improvements	Single	\$30,000					
Float System Replacement	Single	\$6,000					
District Weather Station	Single	\$2,000					
Pump Station Automation (Electric Actuators and Autodailer) ⁽⁶⁾	Single	\$200,000					
Recoat Pump Discharge Lines	Single	\$150,000					
Levee All-Weather Access - Ring Portion (Commonwealth to University)	Single	\$200,000					
Levee All-Weather Access (East of Ring Portion to Commonwealth)	Single	\$500,000					
Slope Paving Replacements	As Needed	\$700,000					
Special Capital Improvement Projects							
Commonwealth Blvd. Improvements	Single	FY2015/16					
Headwall, Landscape, and Irrigation Design	Single	FY2015/16	\$21,000				
Headwall, Landscape, and Irrigation Construction	Single	FY2016	\$500,000				
Construction Inspection	Single	FY2016	\$12,000				
CIP Management ⁽²⁾			\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
Total Capital Improvements			\$630,143	\$21,000	\$15,000	\$21,000	\$16,000
Capital Improvement Budget (Including Misc. Repairs) ⁽³⁾			\$737,487	\$737,487	\$737,487	\$737,487	\$737,487
Remaining Funds			\$107,344	\$716,487	\$722,487	\$716,487	\$721,487

Notes:

⁽¹⁾ A cost shown represents the estimated project cost for the entire improvements. If the District wanted to proceed, most of these improvements could be addressed / spread-out over a designated time period. This does not apply for certain items (i.e. gate recoating, slide gate electrical actuators, etc.).

⁽²⁾ Includes JC's cost to review and update the CIP during the year as well as assist the District in budgeting future CIP projects. This cost will be billed hourly, not to exceed. JC shall setup a separate job number that will be invoiced on a monthly basis solely for the management of the CIP.

⁽³⁾ Budget for available funds is based on the approved FY2016 Budget.

⁽⁴⁾ The perimeter levee was improved in 2007. Due to the age, JC would recommend obtaining updated levee elevations. At the same time, JC would verify the existing control monument on the downstream headwall to confirm the elevation which can be used to update the District's stream gage. The verification would also confirm consistency between the District's and the City of Sugar Land's monumentation.

⁽⁵⁾ JC is coordinating with the City of Sugar Land on regrading the area between Commonwealth Blvd. and the toe of the levee on the eastern side of the District. JC added an item to the CIP in the event, the City of Sugar Land would not participate in the project so that the District could budget for the activity.

⁽⁶⁾ Project costs includes design and construction phase services.





Myrtle Cruz, Inc.

3401 Louisiana St, STE 400 . Houston, Tx 77002-9552 . (713)759-1368 . fax 759-1264 . email first_last@mcruz.com

FIRST COLONY LID #2

Cash Report for Meeting of July 5th, 2016

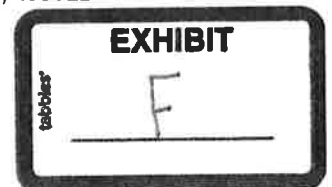
OPERATING ACCOUNT (1330P) : CENTRAL BANK 3303751

Previous cash balance, June 7th, 2016	17,666.63
plus: 06/09 maint tax ck 1067.....	5,000.00
plus: 07/05 trf frm MMS.....	40,000.00
Total Deposits :	45,000.00
less: 05/02 wire fee.....	5.00
less: 06/30 IRS 2qtr payroll.....	481.94
Less checks completed at or after last meeting :	
1226 windstream; 281-265-6520.....	105.09
1227 Tara Energy; act 1204110328 @ 4950 Avondale Dr.....	206.91
1228 Zach Weimer; reimb chairs.....	173.18
Beginning cash balance, July 5th, 2016	61,694.51

Less checks to be presented at this meeting :		
1229 Ronald J. Frerich; 06/07 Director Fees.....		277.05
6310 director fees	150.00	
6514 payroll taxes	22.95-	
6310 06/15 after action	150.00	
1230 Christine M. Lukin; 06/07 Director fees.....		138.53
6310 director fees	150.00	
6514 payroll taxes	11.47-	
1231 Zach Weimer; 06/07 Director Fees.....		138.53
6310 director fees	150.00	
6514 payroll taxes	11.47-	
1232 Commonwealth Civic Assn. Inc.; June 2016 Monthly Servic.....		4,500.00
1233 Myrtle Cruz, Inc.; May Bookkeeping & Offices Expns.....		1,266.51
6333 bookkeeping expenses	1,175.00	
6340 office expenses	91.51	
1234 Storm Water Solutions, LP; Inv #6321-90 App #40 5/31/16.....		4,325.62
6332 Operator's Fees	2,500.00	
6335 Extra Services	1,825.62	
1235 Jones & Carter, Inc.; Inv 233877/234475.....		4,888.50
6322 #234475 Gen Eng	4,778.50	
6322 #233877 MSA Permit	110.00	
1236 Coats, Rose, Yale, Ryman & Lee; Inv#20306668 legal.....		9,750.00
1237 Champions Hydro-Lawn, Inc.; 20166163/20166164.....		3,769.90
6335 mow/maint	2,114.00	
6335 NW Detent Pond	630.70	
6335 Levee Test Area	286.20	
6335 Alcorn Bayou	424.00	
6335 mow/handwork sept	315.00	
1238 Fort Bend County Sheriff's Office; 2092 2qtr 2016 radio time		114.75
1239 TML IRP; Insurance Premium 08/07/15-08/07/16 FIRS-P4 6352...		3,779.00
1240 HARCO Insurance Services; Insurance/FIRS-P4 2016-2017 term..		1,641.00
1241 Windstream; 281-265-6520.....		
1242 Tara Energy; act 1204110328 @ 4950 Avondale Dr.....		

previous cash balance		17,666.63
2 receipts		45,000.00
14 current checks	<	34,589.39 >
other disbursements	<	972.12 >
ending cash balance		

27,105.12



FIRST COLONY LID #2

Cash Report for Meeting of July 5th, 2016 Page : 2

TIME DEPOSIT INVESTMENTS:

Allegiance BK(was Entrprs); 10/7/15 due 10/7/16 @ .60%..... 95,761.88
Third Coast Bank; 11/04/15 due 11/04/16 @ .50%..... 150,369.86

DEMAND DEPOSIT INVESTMENTS:

TexPool [REDACTED]..... 60.67
 balance last report 60.67
Spirit of Texas Bank; [REDACTED] (FDIC \$250,000.00)..... 106,512.84
 previous balance 106,473.46
 05/25 interest 39.38
ICON Bank; [REDACTED] (stay under FDIC: \$250,000.00 limit)..... 113,150.63
 previous balance 113,129.55
 05/31 interest 21.08
COMPASS BANK; [REDACTED]..... 1,403,123.64
 previous balance 1,442,947.30
 05/01 interest 194.34
 05/15 service charge 18.00-
 07/05 trf to Central 40,000.00-

previous investments 1,908,742.72
 interest 254.80
 transfers 40,000.00-
 withdrawals < 18.00 >
ending investments 1,868,979.52

OPERATING ACCOUNT FUNDS AVAILABLE July 5th, 2016

=====
\$1,896,084.64
=====

2

First Colony L. I. D. #2
Budget
Fiscal Year Ending September 30, 2016
7/5/2016

	1 month			Annual Budget	9 months		
	Actual	Current Period Budget	Variance		Actual	Year-to-Date Budget	Variance
Revenue							
Maintenance Tax	5,000.00	95,432.83	-90,432.83	1,145,194.00	1,210,000.00	858,895.50	351,104.50
Interest Income (Net Service Chrgs)	254.80	166.67	88.13	2,000.00	2,807.88	1,500.00	1,307.88
Misc. Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	5,254.80	95,599.50	-90,344.70	1,147,194.00	1,212,807.88	860,395.50	352,412.38
Expenses							
Capital Improvements	0.00	49,373.92	-49,373.92	592,487.00	42,968.00	444,365.25	-401,397.25
FBFMA Membership Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AWBD Membership Fee	0.00	47.08	-47.08	565.00	580.00	423.75	156.25
Erosion Control Landscape (Four & One)	0.00	2,500.00	-2,500.00	30,000.00	45,149.61	22,500.00	22,649.61
Storm Water Mgmt Rpt (MSA exp)	0.00	833.33	-833.33	10,000.00	0.00	7,500.00	-7,500.00
Ring Levee Maintenance	0.00	833.33	-833.33	10,000.00	0.00	7,500.00	-7,500.00
Director Per Diems	600.00	583.33	16.67	7,000.00	6,900.00	5,250.00	1,650.00
Payroll Taxes	436.05	45.83	390.22	550.00	1,055.68	412.50	643.18
Legal Fees	9,750.00	4,166.67	5,583.33	50,000.00	55,694.58	37,500.00	18,194.58
Auditing Fees	0.00	537.50	-537.50	6,450.00	6,675.00	4,837.50	1,837.50
Engineering Fees	4,888.50	2,583.33	2,305.17	31,000.00	16,935.50	23,250.00	-6,314.50
Operator Fees	2,500.00	2,500.00	0.00	30,000.00	25,000.00	22,500.00	2,500.00
Bookkeeping Fees	1,175.00	1,175.00	0.00	14,100.00	10,640.00	10,575.00	65.00
Repairs & Maint. General (incl fencing)	1,998.80	12,083.33	-10,084.53	145,000.00	35,017.30	108,750.00	-73,732.70
Flood Event	0.00	847.42	-847.42	10,169.00	9,327.50	7,626.75	1,700.75
Pump Station Annual Testing	0.00	1,000.00	-1,000.00	12,000.00	0.00	9,000.00	-9,000.00
Mowing Contract: Interlor Levee	2,429.00	4,090.67	-1,661.67	49,088.00	16,812.70	36,816.00	-20,003.30
Mowing Contract: Perimeter Levee	286.20	624.17	-337.97	7,490.00	1,851.00	5,617.50	-3,766.50
Mowing Contract: NW Detention	630.70	1,265.33	-634.63	15,184.00	3,153.50	11,388.00	-8,234.50
Mowing Contract: Alcorn Bayou	424.00	850.67	-426.67	10,208.00	2,120.00	7,656.00	-5,536.00
Levee Overseed & Ferillization	0.00	2,958.33	-2,958.33	35,500.00	31,569.00	26,625.00	4,944.00
Levee - Ant Treatment (twice a yr)	0.00	4,208.33	-4,208.33	50,500.00	25,998.00	37,875.00	-11,877.00
HOA - Mowing Agreement	4,500.00	4,500.00	0.00	54,000.00	40,500.00	40,500.00	0.00
Building Maintenance	0.00	541.67	-541.67	6,500.00	420.00	4,875.00	-4,455.00
Phone/Radio Expense	114.75	41.67	73.08	500.00	229.50	375.00	-145.50
Electric Bldg Exp & Windstream	105.09	133.33	-28.24	1,600.00	974.58	1,200.00	-225.42
Office Supplies & Expenses	114.51	208.33	-93.82	2,500.00	1,084.98	1,875.00	-790.02
Utilities / Pump Station electric exp	206.91	250.00	-43.09	3,000.00	3,747.31	2,250.00	1,497.31
Insurance & Bonds	5,420.00	420.83	4,999.17	5,050.00	5,420.00	3,787.50	1,632.50
Travel Expenses	0.00	166.67	-166.67	2,000.00	863.73	1,500.00	-636.27
Storm Water Permit (TCEQ)	0.00	8.33	-8.33	100.00	0.00	75.00	-75.00
Misc. Expenses - Website Hosting Exp	0.00	41.67	-41.67	500.00	1,634.75	375.00	1,259.75
Total Expenses	35,579.51	99,420.08	-63,840.57	1,193,041.00	392,322.22	894,780.75	-502,458.53
Income From Operations	-30,324.71	-3,820.58	-26,504.13	-45,847.00	820,485.66	-34,385.25	854,870.91

Balance as of last report	\$1,926,409.35	1,075,598.98
Net Profit or Loss	(\$30,324.71)	820,485.66
Prior Fiscal Year Exp:	0.00	0.00
Storage Bldg Eng Exp	0.00	0.00
Balance as of 7/5/2016	\$1,896,084.64	1,896,084.64

Cash Report Balance	1,896,084.64
1 yr Operating Reserve	1,193,041.00
*Capital Projects Reserve	549,519.00
Net Funds Available	703,043.64

Myrtle Cruz, Inc.
3401 Louisiana Street, #400
Houston, TX 77002 (713)759-1368

First Colony L.I.D. #2
 Monthly Budget Totals
 Fiscal year ending September 30, 2016

Date of Meeting:	2015	2015	2016	2016	2016	2016	2016	2016	2016	2016	2016	2016	Fiscal
	Nov 3	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	YTD
Revenue													
Maintenance Tax	0.00	60,000.00	85,000.00	670,000.00	310,000.00	55,000.00	20,000.00	5,000.00	5,000.00	0.00	0.00	0.00	1,210,000.00
Interest Income	910.87	469.51	98.29	98.85	104.56	363.08	246.05	261.87	254.80	0.00	0.00	0.00	2,807.88
Misc. Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue	910.87	60,469.51	85,098.29	670,098.85	310,104.56	55,363.08	20,246.05	5,261.87	5,254.80	0.00	0.00	0.00	1,212,807.88
Expenses													
Capital Improvements	0.00	0.00	0.00	0.00	0.00	0.00	42,968.00	0.00	0.00	0.00	0.00	0.00	42,968.00
FBFMA Membership Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
AWBD Membership Fee	0.00	0.00	580.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	580.00
Erosion Control Landscape (Four & One)	12,228.52	21,547.90	0.00	0.00	0.00	9,036.44	0.00	2,336.75	0.00	0.00	0.00	0.00	45,149.61
Storm Water Mgmt Rpt (MSA exp)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ring Levee Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Director Per Diems	600.00	750.00	750.00	450.00	600.00	1,050.00	1,200.00	900.00	600.00	0.00	0.00	0.00	6,900.00
Payroll Taxes	-45.90	654.05	57.38	-34.43	229.52	-80.33	-91.81	-68.85	436.05	0.00	0.00	0.00	1,055.68
Legal Fees	3,041.50	0.00	0.00	9,296.63	0.00	7,829.66	7,069.75	18,707.04	9,750.00	0.00	0.00	0.00	55,694.58
Auditing Fees	0.00	6,175.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,675.00
Engineering Fees	0.00	567.50	1,520.00	675.00	1,977.50	775.00	2,035.00	4,497.00	4,888.50	0.00	0.00	0.00	16,935.50
Operator Fees	2,500.00	5,000.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	0.00	0.00	0.00	25,000.00
Bookkeeping Fees	1,175.00	1,175.00	1,240.00	1,175.00	1,175.00	1,175.00	1,175.00	1,175.00	1,175.00	0.00	0.00	0.00	10,640.00
Repairs & Maint. General (incl fencing)	1,541.90	1,603.44	20,724.50	661.46	710.00	3,520.00	3,382.00	875.20	1,998.80	0.00	0.00	0.00	35,017.30
Flood Event	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,327.50	0.00	0.00	0.00	0.00	9,327.50
Pump Station Annual Testing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mowing Contract: Interior Levee	2,114.00	2,114.00	1,026.40	606.40	0.00	3,454.90	2,534.00	2,534.00	2,429.00	0.00	0.00	0.00	16,812.70
Mowing Contract: Perimeter Levee	286.20	286.20	0.00	0.00	0.00	420.00	286.20	286.20	286.20	0.00	0.00	0.00	1,851.00
Mowing Contract: NW Detention	630.70	630.70	0.00	0.00	0.00	0.00	630.70	630.70	630.70	0.00	0.00	0.00	3,153.50
Mowing Contract: Alcorn Bayou	424.00	424.00	0.00	0.00	0.00	0.00	424.00	424.00	424.00	0.00	0.00	0.00	2,120.00
Levee Overseed & Fertilization	0.00	0.00	8,047.00	0.00	0.00	0.00	23,522.00	0.00	0.00	0.00	0.00	0.00	31,569.00
Levee - Ant Treatment (twice a yr)	0.00	0.00	25,998.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,998.00
HOA - Mowing Agreement	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	0.00	0.00	0.00	40,500.00
Building Maintenance	0.00	420.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	420.00
Phone/Radio Expense	0.00	0.00	0.00	0.00	0.00	0.00	114.75	0.00	114.75	0.00	0.00	0.00	229.50
Electric Bldg Exp & Windstream	103.99	103.99	103.99	121.25	0.00	209.01	122.27	104.99	105.09	0.00	0.00	0.00	974.58
Office Supplies & Expenses	102.12	119.68	158.60	132.62	109.02	129.31	107.97	111.15	114.51	0.00	0.00	0.00	1,084.98
Utilities / Pump Station electric exp	411.06	450.26	478.95	461.02	444.56	438.00	425.04	431.51	206.91	0.00	0.00	0.00	3,747.31
Insurance & Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,420.00	0.00	0.00	0.00	5,420.00
Travel Expenses	0.00	0.00	0.00	0.00	863.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	863.73
Storm Water Permit (TCEQ)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Misc. Expenses - Website Hosting Exp	0.00	1,065.00	0.00	125.00	114.75	0.00	330.00	0.00	0.00	0.00	0.00	0.00	1,634.75
Total Expenses	29,613.09	47,586.72	68,184.82	20,669.95	13,224.08	34,956.99	93,234.87	49,272.19	35,579.51	0.00	0.00	0.00	392,322.22
Income From Operations	-28,702.22	12,882.79	16,913.47	649,428.90	296,880.48	20,406.09	-72,988.82	-44,010.32	-30,324.71	0.00	0.00	0.00	820,485.66

First Colony Levee Improvement District No. 2

Electricity

Tara Energy

	4950 Avondale Drive ESI 1008901023801344190100	
	kWh	Totals
8/11-9/10/15	960	\$400.66
9/11-10/15/15	1,152	\$411.06
10/16-11/15/15	1,530	\$450.26
11/16/15-12/15/15	1,650	\$478.95
12/10-1/13/16	1,632	\$461.02
1/13-2/11/16	1,440	\$444.56
2/11-3/11/16	1,344	\$438.00
3/11-4/12/16	1,152	\$425.04
4/12-5/11/16	1,248	\$431.51
5/11-6/10/16	1,440	\$206.91
	13,548	\$4,147.97

INVESTMENT REPORT, AUTHORIZATION AND REVIEW

Report for
FIRST COLONY L.I.D. # 2

Prepared for the reporting period ("Period") from

5/1/2016

to

5/31/2016

<i>Investment Pools</i>		Rate	Beginning Value for Period			Interest earned this period	Deposits or (Withdrawals)	Ending Value for Period		
fund	Ratings:		Book	N.A.V.	Market			Book	N.A.V.	Market
OA	Tex Pool - AAAM	0.3399%	60.67	1.000010	60.67	0.00	0.00	60.67	1.000060	60.67
		0.3399%	60.67		60.67	0.00	0.00	60.67		60.67

<i>Certificates of Deposits</i>		Rate	Purchase Value	Term in Days	Begin Value for Period	Interest accrued this period	Deposits or (Withdrawals)	Ending Value for Period	Date of Purchase	Date of Maturity
fund										
OP	Allegiance/Enterprise Bank - FDI	0.60%	95,813.93	366	96,139.96	48.83	0.00	96,188.79	10/7/2015	10/7/2016
OP	Third Coast Bank	0.50%	150,369.86	366	150,738.58	63.86	0.00	150,802.43	11/4/2015	11/4/2016
		0.3054%	246,183.79	366	246,878.54	112.68	0.00	246,991.22		146

<i>Federal Obligations</i>		Simple APR	Purchase Value	Term in Days	Begin Period Market Value	Gain (Loss) to Market Value	Deposits or (Withdrawals)	Ending Period Market Value	Date of Purchase	Date of Maturity
	N/A	0.0000%	0.00	0	0.00	0.00	0.00	0.00		
			0.00	0	0.00	0.00	0.00	0.00		
	total investments	0.5389%	246,244.46	366	246,939.21	112.68	0.00	247,051.89	wam:	146

Compliance Statement.

The investments (reported on above) for the Period are in compliance with the investment strategy expressed in the District's Investment Policy and the Public Funds Investment Act.

Review.

This report and the District's Investment Policy are submitted to the Board for its review and to make any changes thereto as determined by the Board to be necessary and prudent for the management of District funds.

Signatures.

Myrtle Cruz, Inc. Invest.xls version 2.4a

Investment Officer _____ (please sign & date)
Ron Frerich

Investment Officer: Ron Frerich
PFIA Training: = 40 hrs
Completed most recent Training on: 06/18/15

Bookkeeper (Myrtle Cruz, Inc.) _____
Karrie Kay

Bookkeeper: Karrie Kay
PFIA Training: = 35 hours
Completed most recent Training on: 10/26/13

Deposit / Collateral Report by District

PLEGGED
PLEGGED

FIRST COLONY LID 2

Tax ID - Pledge: 760199399-20336
 1st. Consultant: MCI-MYRTLE CRUZ, INC.
 2nd. Consultant:

BBVA Compass Bank

Pledge Date: 06/01/2016
 Accounts Through: 5/31/2016 10:00 PM
 Memo Posts Through: NO MEMO POSTS

Deposits

Interest Account

<u>Acct No</u>	<u>Funds Type</u>	<u>Class</u>	<u>Balance</u>	<u>Interest</u>	<u>Total</u>
██████████	Interest Account		\$1,488,123.64	\$0.00	\$1,488,123.64
Subtotal Interest Account			\$1,488,123.64	\$0.00	\$1,488,123.64
Total Deposits			\$1,488,123.64	\$0.00	\$1,488,123.64

Securities

<u>Agency</u>	<u>Custodian</u>	<u>CUSIP</u>	<u>Maturity Date</u>	<u>Date Pledged</u>	<u>Units Pledged</u>	<u>Market Value</u>
FHLB-A-LO	CH	91821	03/17/2017	03/17/2016 02:31 PM	2,100,000	\$2,100,000.00
Total Securities Pledged					2,100,000	\$2,100,000.00

DEPOSIT / COLLATERAL POSITION CALCULATION

Subtotal Interest Deposits	\$1,488,123.64	
Subtotal Non-Interest Deposits	\$0.00	
Subtotal Bond Fund Deposits	\$0.00	
TOTAL DEPOSITS	\$1,488,123.64	
LESS APPLICABLE FDIC		
Subtotal Interest Deposits	\$250,000.00	
Subtotal Non-Interest Deposits	\$0.00	
Subtotal Bond Fund Deposits	\$0.00	
Deposits Requiring Collateral	\$1,238,123.64	
TOTAL SECURITIES PLEDGED	\$2,100,000.00	
DEPOSIT COLLATERAL POSITION - 100%	\$861,876.36	
DEPOSIT COLLATERAL POSITION - 105%	\$799,970.18	
	170%	

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