

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

JUNE 16, 2017

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3 §

The Board of Directors (the "Board") of Fort Bend County Water Control and Improvement District No. 3 (the "District") noticed a regular session, open to the public, to be held on Friday, June 16, 2017, at 11:30 a.m., at 503 FM 359, Suite 118, Richmond, Texas, a designated meeting place outside the boundaries of the District. Whereupon, at 11:38 a.m., the meeting was called to order and the roll was called of the members of the Board, to-wit:

Ann Heil	-	President
Lloyd Knapp	-	Vice President
Chayo Huff	-	Secretary
Gloria Couch	-	Assistant Secretary
Richard Wasser	-	Assistant Secretary

At the time the roll was called Directors Heil, Knapp, Huff, and Wasser were present, thus constituting a quorum. Director Couch entered the meeting at 11:55 a.m. The posted meeting notices are attached hereto.

Also present at the meeting were Andrew Miller of Municipal Operations and Consulting, Inc. ("MOC"), Operator for the District; Lina Loaiza of Bob Leared Interests, Tax Assessor/Collector for the District; Trey Schneider of PBK Engineers ("PBK"), Engineers for the District; Christina Cole of Myrtle Cruz, Inc. ("MCI"), Bookkeepers for the District; Michael R. Willis of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorney for the District; and resident Scott Douthitt.

HEAR FROM PUBLIC

The Board noted that there were no public present who wished to address the Board.

#### MINUTES FOR THE MAY 19, 2017, MEETING

The proposed minutes of the meeting of the Board held May 19, 2017, previously distributed to the Board, were presented for consideration and approval. Director Couch requested that the Minutes be amended to reflect her attendance. Director Huff requested that the Minutes include additional details regarding the resident's pool drain.

Upon motion by Director Wasser, seconded by Director Knapp, and after full discussion, the Board voted unanimously to approve the minutes for the meeting held on May 19, 2017, as amended.

#### HEAR FINANCIAL ADVISOR'S REPORT

No report offered.

#### TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Loaiza, who reviewed with the Board the Tax Assessor/Collector Report for the month of May 2017, a copy of which is attached hereto.

Upon motion by Director Huff, seconded by Director Wasser, and after full discussion, the Board voted unanimously (1) to approve the Tax Assessor/Collector Report and (2) to authorize payment of the tax checks listed therein.

#### BOOKKEEPER'S REPORT

The Board recognized Ms. Cole, who submitted to and reviewed with the Board the Bookkeeper's Report and certain invoices for payment by the District. A copy of the Bookkeeper's report is attached hereto.

Upon motion by Director Huff, seconded by Director Knapp, and after full discussion, the Board voted unanimously to (1) approve the Bookkeeper's Report; and (2) authorize payment of the checks listed therein.

#### OPERATOR'S REPORT

The Board recognized Mr. Miller, who presented the Operator's Report for the month of May 2017. Mr. Miller also updated the Board on the results of the meter test as requested by

Resident Kendricks at the May 2017 meeting, noting that the meter is working properly, that this month's usage had decreased, but that it was still very high.

Upon motion by Director Wasser, seconded by Director Huff, and after full discussion, the Board voted unanimously to approve the Operator's Report.

#### ENGINEER'S REPORT

The Board recognized Mr. Schneider, who presented the Engineer's Report, and updated the Board on the drainage outfall channel project. Mr. Schneider also reported on the pool drain located at 2522 Esperanza, noting that the pipe is above standard elevation and the dripping causes erosion.

Upon motion by Director Knapp, seconded by Director Wasser, and after full discussion, the Board voted unanimously to approve the Engineer's Report, and to authorize the Engineer to provide technical information regarding the pool drain to the District's attorney, and thereafter the attorney is instructed to send a letter to the homeowner.

#### ATTORNEY'S REPORT

##### Annual Review of Investment Policy

Consideration was then given to a Resolution Evidencing Review of Investment Policy and Investment Strategies. Mr. Willis reminded the Board that the Public Funds Investment Act requires the Board to review the District's Investment Policy annually and consider making any changes thereto. Mr. Willis recommended that no changes be made to the Investment Policy at this time other than to update the list of authorized brokers for the District.

Upon motion made by Director Knapp, seconded by Director Couch, the Board by unanimous vote agreed not to make any changes to the District's Investment Policy, other than to update the list of authorized brokers for the District, and to adopt the Resolution Evidencing Review of Investment Policy and Investment Strategies.

#### COMMENTS FROM BOARD MEMBERS

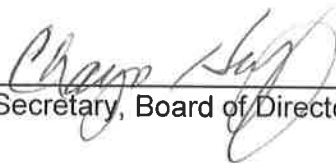
No additional comments were offered by the Directors.

There being no further business to come before the Board, upon motion made, seconded, and approved unanimously, the meeting was adjourned.

PASSED, APPROVED AND ADOPTED, this 21st day of July, 2017.

(DISTRICT SEAL)



  
Secretary, Board of Directors

**AGENDA**  
**FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3**

Notice is hereby given that, pursuant to V.T.C.A. Government Code, Chapter 551, the Board of Directors of **Fort Bend County Water Control and Improvement District No. 3** will meet in **regular session**, open to the public, at **11:30 a.m., on Friday, June 16, 2017, at 503 FM 359, Suite 118, Richmond, Fort Bend County, Texas**, at which meeting the following items will be considered and acted on:

1. Hear from Public;
2. Consider approving minutes of meeting from May 19, 2017;
3. Hear Financial Advisor's Report and take any action thereon;
4. Hear Tax Assessor/Collector's Report and take any action therein, including:
  - (a) consider approving payment of tax bills; and
  - (b) consider authorizing termination of service to delinquent accounts;
5. Hear Bookkeeper's Report and take any action thereon, including:
  - (a) consider approving payment of the bills; and
  - (b) consider approving investment report;
6. Hear Operator's Report and take any action thereon, including:
  - (a) consider authorizing repairs to the District's facilities; and
  - (b) consider termination of service to delinquent accounts;
7. Hear Engineer's Report and take any action thereon, including:
  - (a) considering authorizing Engineer to proceed with the design of District facilities;
  - (b) consider approving plans and specifications of District facilities;
  - (c) considering authorizing Engineer to advertise for bids for District projects;
  - (d) considering authorizing construction contracts and related items; and
  - (e) consider approving pay estimates/change orders for construction projects in progress in the District;
8. Hear Attorney's Report and take any action thereon, including
  - (a) consider approving Resolution Evidencing Annual Review of Emergency Preparedness Plan; and
  - (b) consider approving Order Designating Additional Meeting Place Outside of District;
9. Hear comments from Board members.

Pursuant to V.T.C.A. Government Code §551, the Board of Directors may convene in closed session in relation to any agenda item included in this Notice with such closed session to be held at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by V.T.C.A Government Code Chapter 551, including but not limited to, private consultation with the District's Attorneys on any or all matters or subjects authorized by law, pending or contemplated litigation, personnel matters, real estate transactions, security devices, economic development negotiations and/or gifts and donations.

EXECUTED this 8th day of June, 2017.

**FORT BEND COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 3**

By: \_\_\_\_\_

Joshua J. Kahn  
Sanford Kuhl Hagan Kugle Parker Kahn LLP  
Attorneys for the District



CERTIFICATE OF POSTING OF NOTICE OF MEETING

THE STATE OF TEXAS

§

COUNTY OF FORT BEND

§

FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3

§

I, [Signature], the undersigned, hereby state that I posted the attached Notice of Meeting of the Board of Directors of Fort Bend County Water Control and Improvement District No. 3 at Ward 3 Wp. 1, the location inside the boundaries of the District designated for the posting of agendas, on the 12 day of June, 2017, at 2 o'clock P.m., which time was not less than 72 hours prior to the scheduled time of the meeting.

[Signature]  
(Name)

**FORT BEND COUNTY CLERK'S OFFICE  
301 JACKSON  
RICHMOND, TX 77469**

**CERTIFICATE OF POSTING**

THE STATE OF TEXAS

X

COUNTY OF FORT BEND

X

I, LAURA RICHARD, COUNTY CLERK OF FORT BEND COUNTY, TEXAS DO  
HEREBY CERTIFY THAT ON THE **9<sup>TH</sup> DAY OF JUNE, 2017**, I FILED THE  
FOREGOING NOTICE OF MEETING IN MY OFFICE.

**NAME: FORT BEND COUNTY WCID NO. 3**

**DATE OF MEETING: JUNE 16, 2017**

**EXECUTED THIS 9<sup>TH</sup> DAY OF JUNE, 2017.**

LAURA RICHARD, COUNTY CLERK  
FORT BEND COUNTY, TEXAS

BY

  
\_\_\_\_\_  
**ROXANA RAMOS, DEPUTY**

SEAL



**DUPLICATE**

**FORT BEND COUNTY CLERK  
301 JACKSON, SUITE 101  
RICHMOND, TX 77469-3108  
(281)341-8652**

Receipt Time: 06/09/2017 12:28:50 PM

Receipt #: 48325

Issued To: SANFORD KUHL KUGLE PARKER HAGAN

**Documents**

#	Type	# Pages	Quantity	Reference #	GF #	Amount
1	MEETINGS	1	1	NA		\$3.00
2	PLAIN COPY	1	1	NA		\$1.00
3	POSTING/FILING CERTIFICATE	1	1	NA		\$1.00
<b>Total :</b>						<b>\$5.00</b>

**Payments**

#	Type	Payment #	Amount	NSF
1	ESCROW CHARGE	4080	\$5.00	
<b>Total Payments:</b>			<b>\$5.00</b>	

Balance for Account # 4080 as of 07/06/2017 09:25 AM is \$49.00

**FBC WCID NO. 3 6/16/17 11:30AM**

**THANK YOU!**

**DEPUTY: RR1**



**AGENDA**  
**FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3**

Notice is hereby given that, pursuant to V.T.C.A. Government Code, Chapter 551, the Board of Directors of **Fort Bend County Water Control and Improvement District No. 3** will meet in **regular session**, open to the public, at **11:30 a.m.**, on **Friday, June 16, 2017**, at **503 FM 359, Suite 118, Richmond, Fort Bend County, Texas**, at which meeting the following items will be considered and acted on:

1. Hear from Public;
2. Consider approving minutes of meeting from May 19, 2017;
3. Hear Financial Advisor's Report and take any action thereon;
4. Hear Tax Assessor/Collector's Report and take any action therein, including:
  - (a) consider approving payment of tax bills; and
  - (b) consider authorizing termination of service to delinquent accounts;
5. Hear Bookkeeper's Report and take any action thereon, including:
  - (a) consider approving payment of the bills; and
  - (b) consider approving investment report;
6. Hear Operator's Report and take any action thereon, including:
  - (a) consider authorizing repairs to the District's facilities; and
  - (b) consider termination of service to delinquent accounts;
7. Hear Engineer's Report and take any action thereon, including:
  - (a) considering authorizing Engineer to proceed with the design of District facilities;
  - (b) consider approving plans and specifications of District facilities;
  - (c) considering authorizing Engineer to advertise for bids for District projects;
  - (d) considering authorizing construction contracts and related items; and
  - (e) consider approving pay estimates/change orders for construction projects in progress in the District;
8. Hear Attorney's Report and take any action thereon, including:
  - (a) consider approving Resolution Evidencing Annual Review of Emergency Preparedness Plan; and
  - (b) consider approving Order Designating Additional Meeting Place Outside of District;
9. Hear comments from Board members.

FILED FOR RECORD  
NO. \_\_\_\_\_ TIME 8:30 A.M.  
P.M.

JUN 09 2017 *JS*

*Laura Richard*  
County Clerk Fort Bend Co. Texas

Pursuant to V.T.C.A. Government Code §551, the Board of Directors may convene in closed session in relation to any agenda item included in this Notice with such closed session to be held at the date, hour, and place given in this Notice concerning any and all subjects for any and all purposes permitted by V.T.C.A Government Code Chapter 551, including but not limited to, private consultation with the District's Attorneys on any or all matters or subjects authorized by law, pending or contemplated litigation, personnel matters, real estate transactions, security devices, economic development negotiations and/or gifts and donations.

EXECUTED this 8th day of June, 2017.

**FORT BEND COUNTY WATER CONTROL  
AND IMPROVEMENT DISTRICT NO. 3**

By: \_\_\_\_\_

*Joshua J. Kahn*  
Joshua J. Kahn  
Sanford Kuhl Hagan Kugle Parker Kahn LLP  
Attorneys for the District



CERTIFICATE OF POSTING

THE STATE OF TEXAS §

COUNTY OF FORT BEND §

FORT BEND COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3 §

I, Tara Smith, the undersigned, hereby state that I posted the Notice of Meeting of Fort Bend County Water Control and Improvement District No. 3 in the administrative offices of the District on June 9, 2017, at 9:00 o'clock a.m., which time was not less than 72 hours prior to the scheduled time of the meeting.

  
\_\_\_\_\_

TAX COLLECTOR'S OATH

**Fort Bend WCID #3** \_\_\_\_\_ }

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

SWORN TO AND SUBSCRIBED BEFORE ME, this 7th day of  
June, 2017.

  
NOTARY PUBLIC, STATE OF TEXAS

(SEAL)



Submitted to Taxing Unit's Governing Body on 6-16-17.

**FT. BEND CO. W.C.I.D. #3**  
**TAX ASSESSOR/COLLECTOR'S REPORT**

5/31/2017

Taxes Receivable: 8/31/2016	\$	10,027.24	
Reserve for Uncollectables	(	.00)	
Adjustments		<u>.00</u>	\$ <u>10,027.24</u>
Original 2016 Tax Levy	\$	540,988.71	
Adjustments		<u>32,816.71</u>	<u>573,805.42</u>
<b>Total Taxes Receivable</b>			<b>\$ 583,832.66</b>
Prior Years Taxes Collected	\$	.00	
2016 Taxes Collected ( 99.3%)		<u>569,972.49</u>	<u>569,972.49</u>
<b>Taxes Receivable at: 5/31/2017</b>			<b>\$ <u>13,860.17</u></b>

2016 Receivables:

Debt Service	2,003.58
Maintenance	1,829.35

---

*bob leared interests*

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

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

FT. BEND CO. W.C.I.D. #3

Disbursements for month of June, 2017

Check #	Payee	Description	Amount
	W/T to Debt Service 6/12/17	Transfer to Debt Service Fund	\$ 5,000.00
	W/T to General Fund 6/12/17	Transfer to General Fund	1,882.14
1084	FBCAD	CAD Quarterly Assessment	796.71
1085	Bob Leared	Tax Assessor/Collector Fee	328.08
TOTAL DISBURSEMENTS			\$ 8,006.93
Remaining Cash Balance			\$ <u>13,969.25</u>

Wells Fargo Bank, N.A.

FT. BEND CO. W.C.I.D. #3

HISTORICAL TAX DATA

Year	Taxable Value	SR/CR	Tax Rate	Adjustments	Reserve for Uncollectibles	Adjusted Levy
2008	100,366,830	03/73	.480000	131.84-		481,760.78
2007	84,787,990	01/71	.500000	4,848.95-		423,939.95
2006	72,695,057	01/00	.500000	156.40		363,475.29
2005	61,122,928	01/00	.500000	162.25-		305,614.64
2004	47,597,230	01/00	.500000	197.50-		237,986.15
2003	38,645,500	01/01	.500000	5,421.20-		193,227.50
2002	29,774,890	05/00	.500000	1,077.85		148,874.45
2001	22,701,620	12/12	.500000	726.70		113,508.10
2000	12,638,660	00/00	.500000			63,193.30
1999	3,634,530	00/00	.500000			18,172.65
1998	752,130	00/00	.500000	2,069.50		4,866.65

FT. BEND CO. W.C.I.D. #3

Tax Exemptions:	2016	2015	2014
Homestead	.000	.000	.000
Over 65	30,000	30,000	30,000
Disabled	30,000	30,000	30,000

Last Bond Premium Paid:

Payee	Date of Check	Amount
McDonald & Wessendorff	10/10/2016	100.00
11/25/2016 - 11/25/2017		

Adjustment Summary:	2016	
10/2016	/ CORR 003	33,600.35
1/2017	/ CORR 007	783.64-
TOTAL		32,816.71



6/16/2017



CASH



190

# Myrtle Cruz, Inc.

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

## FORT BEND COUNTY WCID # 3

Cash Report for Meeting of June 16th, 2017

### DEBT SERVICE FUND (190BF) : NO CHECKING

Previous cash balance, May 19th, 2017 0.00

#### TIME DEPOSIT INVESTMENTS:

Green Bank; 3/06/17 to 3/06/18 @ .70%..... 246,755.68

#### DEMAND DEPOSIT INVESTMENTS:

Compass Bank; #2514457584..... 306,709.23

balance last report 308,955.81

05/01 Interest 49.89

05/15 Service Charge 18.00-

02/01 Interest 23.84

02/15 service charge 18.00-

Trf to OP-Arbitrage 2,308.95-

03/01 Interest 42.64

03/15 Service Charge 18.00-

Texpool; #77484 07935 00001..... 1,931.07

previous balance 1,929.83

05/31 Interest 1.24

Texstar; #0790133330..... 1,897.28

previous balance 1,896.04

05/31 Interest 1.24

previous investments 559,537.36

interest 118.85

withdrawals < 2,362.95 >

ending investments 557,293.26

DEBT SERVICE FUNDS AVAILABLE June 16th, 2017

=====

\$557,293.26

=====



**Fort Bend County Water Control & Improvement District #3**  
**Budget for Fiscal Year Ending July 31, 2017**

**16-Jun-17**

**REVENUE:**

Water Revenue/Penalty Revenue  
 Tap Fee/Sewer Inspection Fee  
 GRP  
 Maintenance Tax  
 Interest Earnings  
**TOTAL REVENUE:**

10 months				
Actual MTD	Budget MTD	Actual YTD	Budget YTD	Annual Budget
12,832.80	12,666.67	119,757.60	126,666.67	152,000.00
1,150.00	0.00	1,150.00	1,150.00	0.00
10,263.20	9,583.33	98,627.32	98,627.32	115,000.00
-0.05	-0.05	271,980.31	240,000.00	240,000.00
1,959.32	208.33	2,682.22	2,083.33	2,500.00
<b>26,205.27</b>	<b>22,458.28</b>	<b>494,197.45</b>	<b>468,527.32</b>	<b>509,500.00</b>

**EXPENSES:**

Legal Fees  
 Engineering Fees  
 Engineering Fees - Special Projects  
 Operator's Fees  
 Directors Fees  
 Payroll Taxes  
 Tap & Inspection Expenses  
 Election Expenses  
 Office Expenses  
 Bookkeeping Fees  
 Audit  
 Insurance & Bonds  
 Lab Expenses  
 Repairs/Maintenance  
 Ditch Maintenance  
 Permits/Reg. Assessment  
 Chemicals  
 Mowing  
 GRP Fee  
 Utilities  
 Travel Expense  
 AWBD Membership & Registration Fees  
 Drainage/Capital Improvements  
 Miscellaneous  
**TOTAL EXPENSES:**

Actual MTD	Budget MTD	Actual YTD	Budget YTD	Annual Budget
2,806.45	3,000.00	30,096.24	30,000.00	36,000.00
720.00	416.67	5,045.00	4,166.67	5,000.00
0.00	2,500.00	14,208.28	25,000.00	30,000.00
1,007.75	1,250.00	10,495.50	12,500.00	15,000.00
750.00	1,250.00	8,400.00	12,500.00	15,000.00
-57.40	83.33	963.73	833.33	1,000.00
30.00	83.33	30.00	833.33	1,000.00
0.00	0.00	0.00	0.00	0.00
1,159.91	1,291.67	11,478.71	12,916.67	15,500.00
1,675.00	1,525.00	15,400.00	15,250.00	18,300.00
0.00	0.00	11,250.00	12,000.00	12,000.00
0.00	0.00	6,798.00	6,210.00	6,210.00
522.00	583.33	5,666.68	5,833.33	7,000.00
6,812.08	5,416.67	43,004.72	54,166.67	65,000.00
433.00	2,083.33	2,598.00	20,833.33	25,000.00
0.00	125.00	1,173.20	0.00	1,500.00
275.00	416.67	2,275.60	4,166.67	5,000.00
320.00	416.67	3,040.00	4,166.67	5,000.00
0.00	14,833.33	140,005.86	148,333.33	178,000.00
1,368.62	2,083.33	17,433.33	20,833.33	25,000.00
0.00	583.33	1,682.17	5,833.33	7,000.00
0.00	416.67	1,950.00	4,166.67	5,000.00
0.00	16,666.67	88,570.47	166,666.67	200,000.00
0.00	83.33	0.00	833.33	1,000.00
<b>17,822.41</b>	<b>55,108.33</b>	<b>421,565.49</b>	<b>568,043.33</b>	<b>679,510.00</b>

Beginning Balance	<b>523,269.00</b>	<b>458,769.90</b>	
Customer Deposits (Net)	<b>50.00</b>	<b>300.00</b>	
Series 2016 Refunding	<b>0.00</b>	<b>0.00</b>	
Road Maintenance	<b>0.00</b>	<b>0.00</b>	
Net Surplus or (Deficit)	<b>8,382.86</b>	<b>72,631.96</b>	<b>(170,010.00)</b>
<b>Funds Available as of:</b>	<b>531,701.86</b>	<b>531,701.86</b>	

16-Jun-17

**NUMBER OF MONTHS OF OPERATING RESERVE: 9.39**

## **GRP REVENUE COLLECTED**

<b>Date</b>	<b>Amount</b>
09/19/15 - 10/17/15	\$11,568.64
10/17/15 - 11/18/15	\$10,853.90
11/18/15 - 12/18/15	\$6,174.83
12/18/15-01/19-16	\$3,989.39
01/19/16-02/19/16	\$3,967.51
02/19/16-03/22/16	\$6,311.62
03/22/16-04/21/16	\$7,991.77
4/21/16-05/19/16	\$8,048.51
05/19/16-06/17/16	\$6,846.30
06/17/16-07/20/16	\$5,060.02
07/20/16-08/22/16	\$14,792.84
08/22/16-09/23/16	\$18,261.08
09/23/16-10/24/16	\$10,010.41
10/24/16-11/23/16	\$12,715.87
11/23/16-12/26/16	\$10,012.77
12/26/16-01/24/17	\$4,694.87
01/24/17-02/22/17	\$5,600.77
2/22/17-03/22/17	\$5,510.12
03/22/17-04/21/17	\$6,765.39
04/21/17-05/22/17	\$10,263.20

\$169,439.81
--------------

# INVESTMENT REPORT, AUTHORIZATION AND REVIEW

Report for  
FORT BEND WCID #3

Prepared for the reporting period ("Period") from

5/1/2017

to

6/5/2017

Investment Pools		Rate	Beginning Value for Period			Interest earned	Deposits or	Ending Value for Period		
			Book	N.A.V.	Market	this Period	(Withdrawals)	Book	N.A.V.	Market
BF	TEXPOOL	AAAm	1,929.83	1.00006	1,929.95	1.24	0.00	1,931.07	1.00003	1,931.13
BF	TEXSTAR	AAAm	1,896.04	1.00006	1,896.15	1.24	0.00	1,897.28	1.00002	1,897.32
BF	Compass		308,955.81	0.00000	308,955.81	62.37	(2,308.95)	306,709.23	0.00000	306,709.23
OA	Compass		6,445.56	0.00000	6,445.56	17.68	(0.05)	6,463.19	0.00000	6,463.19
OA	TEXPOOL	AAAm	227,797.97	1.00006	227,811.64	148.76	0.00	227,946.73	1.00003	227,953.57
OA	TEXSTAR	AAAm	79,464.33	1.00006	79,469.02	50.88	0.00	79,515.21	1.00002	79,516.72
			626,489.54		626,508.12	282.17	(2,309.00)	624,462.71		624,471.15
			0.4816%							

Certificates of Deposits		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
BF	Green Bank	0.70%	246,755.68	365	247,020.69	170.36	0.00	247,191.05	3/6/2017	3/6/2018
OP	Texan Bank	0.75%	101,051.95	365	101,741.32	71.12	(101,812.44)	0.00	6/3/2016	6/3/2017
OP	Texan Bank	1.00%	101,812.44	365	0.00	8.37	101,812.44	101,820.81	6/3/2017	6/3/2018
OP	Allegiance Bank	0.90%	104,856.53	365	105,714.92	87.12	(105,802.04)	0.00	6/3/2016	6/3/2017
OP	Allegiance Bank	1.00%	105,802.04	365	0.00	8.69	105,802.04	105,810.73	6/3/2017	6/3/2018
			0.9153%		454,476.92	345.66	0.00	454,822.58		166
			0.5482%	1,286,768.18	1825	1,080,985.05	627.83	(2,309.00)	1,079,285.29	70

total investments

## 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.

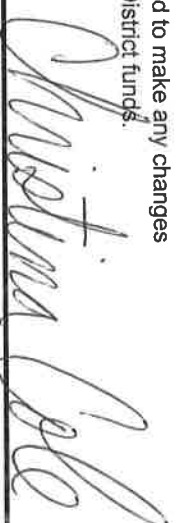
## Signatures.

Myrtle Cruz, Inc.

Investment Officer  
Mary Jarmon

(please sign & date)  
Training Completed on September 1, 2015

Bookkeeper (Myrtle Cruz, Inc.): Christina Cole



# WATER UTILITY OPERATIONS

# MOC

**MUNICIPAL OPERATIONS & CONSULTING, INC.**

## MONTHLY OPERATIONS REPORT FOR FORT BEND COUNTY W.C.I.D. NO. 3

May 2017

CONNECTIONS: 216  
VACANT: 0

TAPS THIS MONTH: 0  
TAPS YTD: 0

### REVENUE:

Water	COR GRP Fee	TCEQ	Over Pmts	Insp. Fees	Penalty	Deposit	Misc.	Tap Fees	TOTAL
\$ 10,892.41	\$ 10,263.20	\$ 55.30	\$ 1,750.75	\$ -	\$ 122.58	\$ 50.00	\$ 50.00	\$ 1,150.00	\$ 24,334.24

### WATER - BILLING CYCLE: 4/21/17 - 5/22/17

Total Gallons pumped well #1	5,109,000	<b>Pond Wells</b>	Well1	0	Permitted pumpage:	150,000,000
Total Gallons pumped well #2	2,968,000		Well 2	700,500	Wells pumped YTD:	35,387,000
Construction / Flushing	50,000		Well 3	213,400	Ponds pumped YTD:	12,279,300
Total Gallons billed	7,920,000		Well 4	763,800	Remaining pumpage:	102,333,700
Billed vs. pumped	99%		Well 5	1,390,100		
For the year	100%		Well 6	100	Permit dates:	10/1/16 - 9/30/17
Total irrigation consumption	109,000					
Total \$ billed out water	\$ 15,333.75					

Bacteriological samples: # Taken Results  
1 Good

BILLING STATUS:	Current	30 day	60 day	90 day	120 day	Total
Penalty	\$ -	\$ 124.19	\$ 4.14	\$ -	\$ -	\$ 128.33
Tap Fees	\$ -	\$ (56.77)	\$ -	\$ -	\$ -	\$ (56.77)
TCEQ Fee	\$ 76.84	\$ (4.52)	\$ 0.36	\$ -	\$ 0.37	\$ 73.05
Water	\$ 15,333.75	\$ 352.47	\$ 35.00	\$ -	\$ 19.83	\$ 15,741.05
City of Richmond SWF	\$ 16,413.60	\$ 487.82	\$ 11.99	\$ -	\$ 33.79	\$ 16,947.20
Deposit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Connect	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inspection	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>	\$ 31,824.19	\$ 903.19	\$ 51.49	\$ -	\$ 53.99	\$ 32,832.86

**Pond Wells Monthly**

Pond well 1	0
Pond well 2	700,500
Pond well 3	213,400
Pond well 4	763,800
Pond well 5	1,390,100
Pond well 6	100
Pond GRP	\$6,442.59

**Pond Wells YTD**

Pond well 1	0
Pond well 2	3,514,500
Pond well 3	421,900
Pond well 4	2,881,600
Pond well 5	5,460,500
Pond well 6	800
Pond GRP YTD	\$25,786.53

Current GRP Rate: \$2.10 per thousand gallons

**35,387,000**

Well 1 & 2 YTD  
Permitted amount: 120 Million

**12,279,300**

Pond Well Pumped YTD  
Permitted amount: 30 Million

**47,666,300**

Pumped YTD  
Permitted amount: 150 Million



## MUNICIPAL RISK MANAGEMENT GROUP, L.L.C.

May 31, 2017

Fort Bend County Water Control & Improvement District No. 3  
c/o Sanford Kuhl Kugle Parker Hagan Kahn, LLP  
1980 Post Oak Boulevard, Suite 1380  
Houston, TX 77056

Dear Board of Directors:

Listed below are the tax-exempt debt issues that Municipal Risk Management Group, LLC was asked by the Board to determine if any of the debt issues listed below may be subject to arbitrage rebate and/or yield restriction regulations, and to provide recommendations about performing an Arbitrage Rebate or Yield Restriction Report as determined by the IRS and your Attorney. As a review, arbitrage rebate payments are required to be submitted to the Internal Revenue Service Department of the US Treasury not less often than every fifth anniversary date of the delivery of the debt and within 60 days following the final maturity of the debt issue, or on such other dates required or permitted by applicable regulations. In addition, to the Arbitrage Rebate Requirements, there is another set of separate and distinct rules known as the Arbitrage Yield Restriction Requirements for Project (capital projects) Funds. Yield Restriction/Yield Reduction for these funds requires certain bond proceeds to be invested at or below the Materially Higher Yield (bond yield + .125%) during certain time periods. A Yield Restriction/Yield Reduction Payment Report is required; *if* there are any capital projects or acquisition proceeds of the tax-exempt debt remaining after the Temporary Period (normally 3 years after the delivery date) in excess of the minor portion (minor portion; the lesser of \$100,000 or 5% of the sale proceeds of the issue), and the return on investment is materially higher than the bond yield.

### *Control No. 1.00*

#### \$1,570,000 Unlimited Tax Bonds, Series 2005

#### **Arbitrage Rebate:**

- Not subject to Arbitrage Rebate, because the issue meets the small issuer exception.

**Yield Restriction Analysis:**

- Yield Restriction is not required because the construction proceeds were spent below the minor portion of \$78,500 prior to the end of the temporary period (May 1, 2008). As of July 25, 2008, the construction funds were fully spent and no further action is required.

*Control No. 2.00*

\$1,330,000 Unlimited Tax Bonds, Series 2008

**Arbitrage Rebate:**

- Not subject to Arbitrage Rebate, because the issue meets the small issuer exception.

**Yield Restriction Analysis:**

- Yield Restriction is not required because the construction proceeds were spent below the minor portion of \$66,500 prior to the end of the temporary period (January 17, 2011). As of February 20, 2009, the construction funds were fully spent and no further action is required.

*Control No. 3.00*

\$1,180,000 Unlimited Tax Refunding Bonds, Series 2011

**Arbitrage Rebate:**

- Not subject to Arbitrage Rebate, because the issue meets the small issuer exception.

**Yield Restriction Analysis:**

- Not applicable to this refunding bond issue.

*Control No. 4.00*

\$1,330,000 Unlimited Tax Refunding Bonds, Series 2013

Arbitrage Rebate:

- Not subject to Arbitrage Rebate, because the issue meets the small issuer exception.

Yield Restriction Analysis:

- Not applicable to this refunding bond issue.

*Control No. 5.00*

\$1,225,000 Unlimited Tax Refunding Bonds, Series 2016

Arbitrage Rebate:

- Not subject to Arbitrage Rebate, because the issue meets the small issuer exception.

Yield Restriction Analysis:

- Not applicable to this refunding bond issue.

Sincerely,

Municipal Risk Management Group, LLC

  
\_\_\_\_\_  
Cory Burton