

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

APRIL 20, 2018

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, April 20, 2018, 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 11:30 a.m., the meeting was called to order and the roll was called of the members of the Board, to-wit:

Ann Heil	-	President
Gloria Couch	-	Vice President
Chayo Huff	-	Secretary
Richard Wasser	-	Assistant Secretary
Scott Douthitt	-	Assistant Secretary

All members of the Board were present, thus constituting a quorum.

Also present at the meeting were Lonnie Wright of Municipal Operations and Consulting, Inc. ("MOC"), Operator for the District; Lina Loaiza of Bob Leared Interests, Tax Assessor/Collector for the District; and Joshua J. Kahn of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorney for the District. Residents Frank Corbin, Pat Corbin, Jaime Krametbauer, Shannon Lieke, and Tim Byers were present for all or a portion of the meeting. Also present were Anthea Moran and Christine Crotwell of Masterson Advisors, LLC.

HEAR FROM PUBLIC

The Board recognized Mr. Byers, who noted that there is a meeting on May 9 of the Jones Creek Watershed Association. Mr. Byers also noted that his group recently met with Fort Bend County Drainage District Engineer (Mark Vogler) and it was noted that the County will not

make any drainage improvements to Jones Creek (County does not own land or have easements); however, the County is undertaking other projects in the area.

Director Huff then shared information that was provided at a recent Jones Creek Watershed Association meeting and also at the AWBD breakfast meeting regarding what was learned from Hurricane Harvey.

MINUTES FOR THE MARCH 16, MEETING

The proposed minutes of the meeting of the Board held March 16, 2018, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Douthitt, seconded by Director Wasser, and after full discussion, the Board voted unanimously to approve the minutes for the meeting held on March 16, 2018, as submitted.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Loaiza, who reviewed with the Board the Tax Assessor/Collector Report for the month of March 2018, a copy of which is attached hereto.

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

BOOKKEEPER'S REPORT

The Board recognized Mr. Kahn, who, on behalf of the District's bookkeeper, submitted to and reviewed with the Board the Bookkeeper's Report and certain invoices for payment by the District. Director Douthitt explained the GRP fee and why residents are required to pay. Director Heil noted that she has prepared a brief summary of the GRP that will be distributed in various ways to residents.

Upon motion by Director Couch, seconded by Director Wasser, 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. Wright, who presented the Operator's Report for the month of March 2018.

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

ENGINEER'S REPORT

No Report was offered.

TERMINATION/ENGAGEMENT OF FINANCIAL ADVISOR

The Board recognized Mr. Kahn, who noted that Anthea Moran and Christine Crotwell had recently left Hilltop Securities, Inc. to join Masterson Advisors, LLC.

The Board recognized Ms. Moran, who provided a brief overview of Masterson Advisors, LLC, and presented to and reviewed with the Board a Financial Services Agreement.

Upon motion by Director Huff, seconded by Director Couch, and after full discussion, the Board voted unanimously to terminate the District's Financial Services Agreement with Hilltop Securities, Inc., to engage Masterson Advisors, LLC, as the District's Financial Advisor, and to approve the Financial Services Agreement with Masterson and authorize execution of the Agreement.

ATTORNEY'S REPORT

Future Levee Tax Rate Impact Analysis

The Board recognized Mr. Kahn, who reviewed with the Board a Debt Tax Rate Impact Analysis for Future Levee Bonds, prepared by the District's previous Financial Advisor, noting that the Levee Bonds, if issued, could increase the District's tax rate from its current \$.046 per \$100 valuation, to as high as \$1.74 per \$100 valuation.

The Board noted that no action was necessary in connection with the Debt Tax Rate Impact Analysis for Future Levee Bonds.

Identity Theft Prevention Policy

Mr. Kahn next presented to the Board for approval a Resolution Providing for Annual Review of Identity Theft Prevention Policy (the "Policy"). In connection therewith, Mr. Wright noted that MOC had reviewed the Policy and that, over the previous year, no significant red flag events had occurred. Mr. Wright recommended no changes to the Policy at this time.

Upon motion by Director Wasser, seconded by Director Couch, and after full discussion, the Board voted unanimously to approve the Resolution Providing for Annual Review of Identity Theft Prevention Policy.

COMMENTS FROM BOARD MEMBERS

No comments were offered by the Board members.

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 18th day of May, 2018.




Secretary, Board of Directors