

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

MAY 18, 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, May 18, 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, except Directors Heil and Wasser, thus constituting a quorum.

Also present at the meeting were Christina Cole of Myrtle Cruz, Inc. ("MCI"), Bookkeepers for the District; Greg Dubiel 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; Mary DuBois of Acclaim Energy; and Joshua J. Kahn of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorney for the District. Residents Tim Byers, Joe Davis, and Robin Davis were present for all or a portion of the meeting.

HEAR FROM PUBLIC

The Board recognized Mr. Davis, who inquired about a study on potential costs for construction of a levee around the District.

The Board recognized Mr. Byers, who discussed a recent meeting of Jones Creek Association of Neighbors ("JCAN"), and noted that at such meeting, a representative from Fort Bend County stated that the County had no plans for improvements to lower Jones Creek. Mr. Byers also reiterated (and Mr. Schneider agreed) that the only way to protect Texana Plantation from flooding is by constructing a levee around the subdivision.

Mr. Schneider noted that he had received the preliminary cost estimate for a proposed levee and agrees that the cost of a levee would be at least \$12 million. Mr. Schneider also noted that he will scheduled a meeting with the City of Richmond to discuss a proposed levee, because he has heard that the City will oppose any levee around the District.

Director Huff noted that she sent letters about flooding issues to Governor Abbott, the State Representative, and the State Senator, and received a response from each of them.

APPROVE SWORN STATEMENTS, BONDS AND OATHS OF NEW DIRECTORS

The Official Bonds and Oaths of Office of Directors-Elect Huff, Couch, and Douthitt were then presented for approval. The Board noted that Directors-Elect Huff, Couch, and Douthitt had executed Sworn Statements and Bonds, and had taken their Constitutional Oaths of Office, all in accordance with the provisions of Section 49.055 of the Texas Water Code.

Upon motion by Director Couch, seconded by Director Douthitt, and after full discussion, the Board voted unanimously to accept said Sworn Statements, Oaths, and Bonds and to authorize that each be filed and retained in the District's official records, and that such Oaths be filed with the Secretary of State of the State of Texas.

RECONSTITUTE BOARD AND APPROVE EXECUTION AND FILING OF DISTRICT REGISTRATION FORM

Next on the agenda was to reconstitute the Board and approve execution of a District Registration Form.

Upon motion by Director Couch, seconded by Director Douthitt, and after full discussion, the Board voted unanimously to reconstitute the Board as follows: President – Ann Heil; Vice

President – Gloria Couch; Secretary – Chayo Huff; Assistant Secretary – Scott Douthitt; and Assistant Secretary – Richard Wasser.

Upon motion by Director Couch, seconded by Director Douthitt, and after full discussion, the Board authorized preparation of the District Registration Form and filing of the same with the Texas Commission on Environmental Quality.

MINUTES FOR THE APRIL 20, 2018 and MAY 16, 2018, MEETINGS

The proposed minutes of the meetings of the Board held April 20, 2018, and May 16, 2018, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Couch, seconded by Director Douthitt, and after full discussion, the Board voted unanimously to approve the minutes for the meetings held on April 20, 2018, and May 16, 2018, as submitted.

ELECTRICAL CONTRACT

The President then recognized Ms. DuBois, who presented a market updated and pricing summary for an extension of the District's electrical contract pricing extending past the term of the District's current electrical contract. A copy of the report is attached hereto. The Board noted that the current contract expires in November 2019.

Upon motion duly made by Director Douthitt, seconded by Director couch, the Board voted unanimously to accept a contract with Hudson Energy ("Hudson") for a term of five (5) years to begin upon the expiration of the District's current electrical contract term, at a price of not to exceed 5% of the rates quoted.

TAX ASSESSOR/COLLECTOR'S REPORT

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

Upon motion by Director Couch, seconded by Director Douthitt, 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.

Upon motion by Director Douthitt, seconded by Director Couch, 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. Dubiel, who presented the Operator's Report for the month of April 2018.

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

ENGINEER'S REPORT

The Board recognized Mr. Schneider, who updated the Board on the status of the FEMA claim for outfall into Lake 6, the chloramine conversion, and repairs to the well pump at Water Plant #1.

The Board noted that no action was necessary in connection with the Engineer's Report.

ATTORNEY'S REPORT

No Report was offered.

COMMENTS FROM BOARD MEMBERS

Director Huff made general comments about the recent election and the proposed meeting with the City of Richmond. Director Huff also discussed ways to improve communications with residents.

Director Douthitt made comments about the Directors' election and ways to improve communications with residents.

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 15th day of June, 2018.

Chayo Huff

Secretary, Board of Directors

(DISTRICT SEAL)

