

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

FEBRUARY 15, 2019

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, February 15, 2019, 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 Greg Dubiel of Municipal Operations and Consulting, Inc. ("MOC"), Operator for the District; Christina Cole of Myrtle Cruz, Inc. ("MCI"), Bookkeepers 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.

HEAR FROM PUBLIC

The Board noted that no public was present.

MINUTES FOR THE JANUARY 18, 2019, MEETING

The proposed minutes of the meeting of the Board held January 18, 2019, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Huff, seconded by Director Couch, and after full discussion, the Board voted unanimously to approve the minutes for the meeting held on January 18, 2019, as submitted.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Loiza, who reviewed with the Board the Tax Assessor/Collector Report for the month of January 2019, a copy of which is attached hereto.

Upon motion by Director Douthitt, seconded by Director Huff, 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 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. Dubiel who presented the Operator's Report for the month of January 2019, a copy of which is attached.

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

ENGINEER'S REPORT

The Board recognized Mr. Kahn, who, on behalf of the District's Engineer, submitted to and reviewed with the Board the Engineer's Report and updated the Board on the status of the following:

- Lake 6 Dam-Spillway repair, noting that a revised cost estimate has been submitted for the repairs, and Mr. Schneider is waiting to hear back from FEMA;

- Water Well #1 repairs, noting that repairs are complete and the Well has been placed back in service; and presenting Pay Application No. 1 and final in the amount of \$38,477.60, and Change Order No. 2 for a reduction of \$7,000 because wire brushing was not needed;
- Water Plants Chloramine conversion, noting that the Engineer is still waiting on TCEQ approval and that installation is projected for the first half of 2019;
- Reclaimed water from Pecan Grove MUD, noting that the Engineer working to determine the amount of water needed by the District and the costs to bring the reclaimed water to the lakes in the District;
- Ground storage tank repairs at Water Plant No. 2, noting that inspection is scheduled for March 2019.

Upon motion by Director Wasser, seconded by Director Douthitt, and after full discussion, the Board voted unanimously to approve (1) Pay Application No. 1 and final in the amount of \$38,477.60, and Change Order No. 2 from O'Day Drilling Company to reduce the cost of the Water Well #1 repairs by \$7,000; and (2) the Engineer's Report.

WEBSITE REPORT

No Report was offered.

ATTORNEY'S REPORT

Amended and Restated Code of Ethics

The Board deferred action on this item.

Post-Issuance Compliance Policies

Mr. Kahn presented to and reviewed with the Board an Order Adopting Post-Issuance Compliance and Continuing Disclosure Policies and Procedures, explaining that the Order is a restatement and codification of certain obligations set forth in the District's bond sale documents in a policy separate from the documents. Mr. Kahn noted that, if the District were to be audited by the IRS, the IRS would request to see written policies and procedures. Mr. Kahn further

noted that the Order also includes policies for the District to ensure compliance with the new continuing disclosure rules established by the SEC and adopted by the MSRB regarding material event notices and disclosure of the District's financial obligations which could affect bond holders. Mr. Kahn explained that the new rules were established because there is a secondary bond market which may own or look at purchasing bonds, which would have no access to the District's financial information, absent the disclosures, and that underwriters are now prohibited from purchasing securities from non-compliant districts.

Upon motion by Director Couch, seconded by Director Douthitt, and after full discussion, the Board voted unanimously to approve and adopt the Order Adopting Post-Issuance Compliance and Continuing Disclosure Policies and Procedures.

COMMENTS FROM BOARD MEMBERS

Directors Heil and Douthitt updated the Board on the AWBD winter conference and seminars that were important to the District.

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 March, 2019.



Chayo Hoy

Secretary, Board of Directors