

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

AUGUST 16, 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, August 16, 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
Vacant	-	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; Lina Loaiza of Bob Leared Interests, Tax Assessor/Collector for the District; Christina Cole of Myrtle Cruz, Inc. ("MCI"), Bookkeepers for the District; Christine Crotwell of Masterson Advisors, LLC ("Masterson"), Financial Advisors for the District; Joshua J. Kahn of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorney for the District; Craig Johnson; and Members of the Public listed on the attached Attendance Sheet.

HEAR FROM PUBLIC

The Board noted that no public wished to address the Board.

APPOINTMENT AND QUALIFICATION OF DIRECTOR

Consideration was then given to appointing a director to the Board.

Upon motion by Director Douthitt and seconded by Director Huff, the Board voted unanimously to appoint Craig Johnson to the Board.

Mr. Kahn then noted that Mr. Johnson had taken the Oath of Office and executed the Statement of Appointed Officer.

Upon motion by Director Huff and seconded Director Douthitt, the Board voted unanimously to accept the Oath of Office and executed Statement of Appointed Officer of Mr. Johnson, thus qualifying him to serve on the Board.

RECONSTITUTE BOARD

The Board next considered reconstituting the Board.

Upon motion by Director Huff, 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 – Craig Johnson; and Assistant Secretary –Scott Douthitt.

DISTRICT REGISTRATION FORM

The Board then considered the execution and filing of a District Registration Form.

Upon motion by Director Huff, seconded by Director Douthitt, and after full discussion, the Board voted unanimously to authorize preparation of a revised District Registration Form and filing of same with the Texas Commission on Environmental Quality (“TCEQ”).

MINUTES FOR THE JULY 19, 2019, MEETING

The proposed minutes of the meeting of the Board held July 19, 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 July 19, 2019, as amended.

HEAR FINANCIAL ADVISOR'S REPORT

Discuss 2019 Tax Rate/Call Public Hearing on Proposed 2019 Tax Rate

The Board recognized Ms. Crotwell, who reviewed with the Board Senate Bill 2 and the direct impact it has on the District beginning in the 2020 tax year. Ms. Crotwell discussed the need for the District to hold a bond election at some point in the future in order to protect the District in the event of failure of one of the District's capital facilities.

Ms. Crotwell then presented to and reviewed with the Board the District's 2019 tax rate analysis. The Board discussed such analysis, the options for the 2019 tax rate and possible future maintenance expenses anticipated for the District. Mr. Kahn explained the procedures that the District must follow prior to adopting its 2019 tax rate. These procedures involve publishing notice of the District's tax rate hearing in a newspaper of general circulation within the District at least 7 days prior to such hearing.

Upon a motion by Director Douthitt, seconded by Director Couch, and after full discussion, the Board by unanimous vote authorized the publication of the Notice of Public Hearing on Tax Rate, scheduled for September 20, 2019, at 11:30 a.m., at 503 FM 359, Suite 118, Richmond, Texas, and to publish a proposed total tax rate for 2019 of \$0.46 per \$100 of assessed valuation, along with a tax rate and levy analysis as required by Chapter 49 of the Texas Water Code.

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Loaiza, who reviewed with the Board the Tax Assessor/Collector Report for the month of July 2019, a copy of which is attached hereto, and requested termination of water for delinquent tax accounts. Ms. Loaiza also advised that, after talking with Ms. Mabiaku, the installment contract with Ms. Mabiaku has been reinstated, but only certified funds will be accepted.

Upon motion by Director Huff, seconded by Director Couch, and after full discussion, the Board voted unanimously (1) to approve the Tax Assessor/Collector Report, and (2) to authorize termination of water for delinquent tax accounts.

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 August 2019, a copy of which is attached. Mr. Dubiel discussed with the Board the recent failure of the well at Water Plant #1, and presented proposals from two companies to pull the well pump and survey it with a camera. Mr. Dubiel noted that, if the well screen needs to be replaced, the estimated cost is \$11,200. It was the consensus of the Board to obtain the camera survey results prior to authorizing the screen replacement

Upon motion by Director Douthitt, seconded by Director Huff, and after full discussion, the Board voted unanimously to approve (1) the proposal submitted by O'Day Drilling, in the amount of \$4,800, and (2) the Operator's Report.

ENGINEER'S REPORT

The Board recognized Mr. Kahn, who, on behalf of PBK Engineer, submitted to and reviewed with the Board the Engineer's Report.

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

WEBSITE REPORT

Mr. Kahn reviewed with the Board the website report for the period July 1 – July 31, 2019. Mr. Kahn also discussed with the Board new legislative requirements regarding Director communications, which become effective September 1, 2019, noting that the District is required to archive all communications involving District business. Mr. Kahn then presented to and reviewed with the Board a proposal from Off Cinco for the creation of District email accounts for each Director, which proposal also includes the hosting of such email accounts and the archiving of such emails, at a cost of \$10 per month per email account; and (2) a one-time set up fee of \$100.

Upon motion duly made and seconded, and after full discussion, the Board voted unanimously to approve the proposal from Off Cinco for the creation of five (5) email accounts at a cost of \$50 per month and the one-time set-up fee of \$100.

ATTORNEY'S REPORT

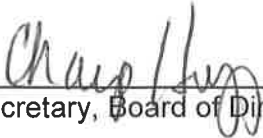
No report was offered.

COMMENTS FROM BOARD MEMBERS

No comments were offered.

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 20th day of September, 2019.



Secretary, Board of Directors

