

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

SEPTEMBER 20, 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, September 20, 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
Craig Johnson	-	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; Trey Schneider of PBK, Engineers for the District; and Joshua J. Kahn of Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SK Law"), Attorney for the District.

PUBLIC HEARING ON PROPOSED 2019 TAX RATE

At this time the Board opened the meeting to a public hearing on the proposed 2019 tax rate for the District. The Board recognized Mr. Kahn, who reminded the Board that at the District's meeting on August 16, 2019, the District's Financial Advisor recommended that the District levy a tax rate \$0.46 per one hundred dollars (\$100) of assessed valuation, allocated

\$0.22 per \$100 valuation for debt service purposes and \$0.24 per \$100 valuation for maintenance and operation purposes. Mr. Kahn also stated that the notice of a proposed 2019 tax rate in the maximum amount of \$0.46 per \$100 assessed valuation was published in a paper of general circulation within the District prior to this public hearing, as required by the Texas Water Code. The Board, noting that there were no members of the public present who wished to comment on the 2019 tax rate, closed the public hearing and resumed the regular meeting.

#### HEAR FROM PUBLIC

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

#### MINUTES FOR THE AUGUST 16, 2019, MEETING

The proposed minutes of the meeting of the Board held August 16, 2019, previously distributed to the Board, were presented for consideration and approval.

Upon motion by Director Huff, seconded by Director Douthitt, and after full discussion, the voted unanimously to approve the minutes for the meeting held on August 16, 2019, as presented.

#### HEAR FINANCIAL ADVISOR'S REPORT

No Report was offered.

#### TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Loaiza, who reviewed with the Board the Tax Assessor/Collector Report, a copy of which is attached hereto, and requested termination of water for delinquent tax accounts.

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 termination of water for delinquent tax accounts.

#### AGREEMENT FOR TAX COLLECTION SERVICES

The Board reviewed the three (3) proposals for Tax Collection Services and, after further discussion, took no action on this agenda item.

## BOOKKEEPER'S REPORT

The Board recognized Ms. Cole, who submitted to and reviewed with the Board the Bookkeeper's Report, a copy of which is attached hereto, and certain invoices for payment by the District. Ms. Cole also presented to and reviewed with the Board a proposed amended budget for fiscal year ending July 31, 2020.

Upon motion by Director Huff, seconded by Director Douthitt, and after full discussion, the Board voted unanimously to (1) approve the Bookkeeper's Report; (2) authorize payment of the checks listed therein; and (3) approve the proposed amended budget for fiscal year ending July 31, 2020, as presented.

## OPERATOR'S REPORT

The Board recognized Mr. Dubiel who presented the Operator's Report, a copy of which is attached, and discussed with the Board one account for termination.

Upon motion by Director Couch, seconded by Director Douthitt, and after full discussion, the Board voted unanimously to approve (1) the Operator's Report; and (2) termination of one account, as presented.

## ENGINEER'S REPORT

The Board recognized Mr. Schneider, who submitted to and reviewed with the Board the Engineer's Report, a copy of which is attached hereto, and discussed the following:

- Water Well No. 1 – Mr. Scheider advised that the down-hole camera survey showed multiple holes in the screen. Mr. Schneider presented a proposal in the amount of \$10,750.00 from O'Day Drilling to make repairs. Mr. Schneider also recommended that the Board have O'Day Drilling pull and test the pump at an estimated cost of \$300-\$500.
- Lake Dam 6 Spillway Structure – Mr. Schneider noted that recent information from FEMA shows that FEMA has approved up to \$121,000 for the project, and noted that he will proceed with finalizing the plans and bidding the project.

- Chloramine Conversion – Mr. Schneider advised that he is working to revise plans to reduce costs, noting that the plans will be resubmitted to contractors for pricing once the plans have been finalized.
- Reclaimed Water from Pecan Grove MUD – Mr. Schneider advised that he is still working with the Engineer for Pecan Grove MUD on the possibility of using reclaimed water, which would allow the district to save money on pumpage fees paid to the City of Richmond.
- Ground Storage Tank at Water Plant No. 2 – Mr. Schneider advised that leak repairs are on hold until the chloramine conversion is complete.

Mr. Schneider also updated the Board on (1) the Brandt Road improvements; (2) erosion at Gator Lake well discharge and ditch outfall; (3) erosion adjacent to concrete slope paving at Hinkle's Ferry and Cedar Lake; and (4) erosion at CMP culvert outfall.

Upon motion by Director Couch, seconded by Director Johnson, and after full discussion, the Board voted unanimously (1) to approve the Engineer's Report; (2) approve testing of the Water Well No. 1 pump, at a cost not to exceed \$500; and (3) defer action on Water Well No. 1 screen repair until after the pump test is completed.

#### WEBSITE REPORT

Mr. Kahn reviewed with the Board the website report, a copy of which is attached hereto.

The board noted that no action was necessary in connection with the website report.

#### ATTORNEY'S REPORT

##### **Order Setting Tax Rate for 2019**

Consideration was then given to the adoption of an Order Setting Tax Rate and Levying Tax for 2019.

Upon motion by Director Huff, seconded by Director Couch, and after full discussion, the Board voted unanimously to set and levy a tax rate in 2019 of \$0.46 per \$100 of assessed valuation consisting of a debt service tax rate of \$0.22 per \$100 of assessed valuation and an

operations/maintenance tax rate of \$0.24 per \$100 of assessed valuation, and to adopt the Order Setting Tax Rate and Levying Tax for 2019 evidencing the same.

**Amended to Notice to Sellers and Purchasers**

Consideration was next given to the adoption of an Amendment to Notice to Sellers and Purchasers of Real Estate Located Within the District. Mr. Kahn stated this amended Notice reflects the District's adoption of a \$0.46 tax rate for 2019. Mr. Kahn continued that the Notice will be filed in the Fort Bend County Real Property records and with the Texas Commission on Environmental Quality (the "Commission").

Upon motion by Director Couch, seconded by Director Huff, and after full discussion, the Board by unanimous vote approved the Amended Notice to Sellers and Purchasers of Real Estate Located Within the District and authorized Mr. Kahn to file said Notice in the Fort Bend County Real Property Records and with the Commission.

**Amended and Restated Investment Policy**

Mr. Kahn 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, and noted that the legislature had made some minor revisions to the Public Funds Investment Act during the 2019 legislative session, including (1) adding the definition for "pledged securities"; (2) revising language concerning repurchase agreements; (3) revising the stated maturity requirement for commercial paper; and (4) adding additional requirements to investment pools. Mr. Kahn then presented to and reviewed with the Board an Amended and Restated Order Designating Investment Officer and Establishing Rules, Policies, and Code of Ethics for the Investment of District Funds and Review of Investments, which Amended and Restated Policy incorporated the 2019 legislative revisions.

Upon motion by Director Douthitt, seconded by Director Huff, and after full discussion, the Board voted unanimously to approve the Amended and Restated Order Designating Investment Officer and Establishing Rules, Policies, and Code of Ethics for the Investment of District Funds and Review of Investments, as submitted.

COMMENTS FROM BOARD MEMBERS

The board discussed the location for the District's next Board meeting. It was the consensus of the Board to hold the November meeting at 7930 W. Grand Parkway, Suite 100, Richmond, Texas, a designated meeting place.

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 October, 2019.



  
Secretary, Board of Directors