

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

March 12, 2024

THE STATE OF TEXAS §

COUNTIES OF BRAZORIA AND FORT BEND §

BRAZORIA-FORT BEND COUNTIES MUNICIPAL UTILITY DISTRICT NO. 3 §

The Board of Directors (the "Board") of Brazoria-Fort Bend Counties Municipal Utility District No. 3 (the "District") met in regular session, open to the public, at 12:00 p.m. on Tuesday, March 12, 2024, at 9 Greenway Plaza, Suite 1000, Houston, Texas 77046, a designated meeting place outside the boundaries of the District; and via zoom and telephone conference at (346) 248-7799, participant code 839 672 43506#, whereupon, the roll was called of the members of the Board of Directors, to-wit:

Corinne Haworth	-	President
Julie Winkle	-	Vice President
Darby Kent	-	Secretary
Afolake Cannon	-	Assistant Secretary
Bret Fugate	-	Assistant Secretary

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

Also present at the meeting were: Makia Thomas via Zoom; Brandon West of Touchstone District Services, the District's web services provider; Karrie Kay of Myrtle Cruz, Inc., the District's Bookkeeper; Sara Ahlschlager-Caudle of Utility Tax Service, LLC, the District's Tax Assessor-Collector ("TAC"); Chris Prugar of Tierra Financial Advisors, LLC, the District's Financial Advisor; Carlous Smith of SiEnvironmental ("Si"), the District's Operator; Kathleen Kinchen of LJA Engineering, the District's Engineer; and Laken Kilgore, attorney, and Tara Miles, paralegal, of Coats Rose, P.C. ("Coats|Rose"), legal counsel for the District.

Whereupon, the meeting was called to order in accordance with the law and the notice posted, copies of which are attached hereto as Exhibit "A."

HEAR FROM THE PUBLIC

No members of the public were present.

APPROVE MINUTES OF MEETING

The Board reviewed the minutes from the meeting held February 12, 2024, which were previously distributed to the Board. Upon a motion by Director Fugate, seconded by Director Winkle, the Board voted unanimously to approve the minutes from the meeting held February 12, 2024.

AUTHORIZE PREPARATION OF FISCAL YEAR END AUDIT

The Board deferred this agenda item, pending receipt of a proposal to conduct the audit.

FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Prugar who presented a proposal from Tierra Financial Advisors to prepare a cost summary for road bond issue no. 3 for a fee of \$15,000. A copy of the proposal is attached hereto as Exhibit "B." After review and discussion, Director Fugate moved to approve the proposal from Tierra Financial Advisors in the amount of \$15,000. Director Kent seconded the motion, which passed unanimously.

HEAR CDC UNLIMITED REPORT

No report was presented by CDC Unlimited.

BOOKKEEPER'S REPORT

The Board recognized Ms. Kay who presented the Bookkeeper's Report for the Board's review and approval, along with certain checks for payment. A copy of the Bookkeeper's Report is attached hereto as Exhibit "C."

Adopt Budget for Fiscal Year Ending March 31, 2025

Ms. Kay presented the budget for fiscal year ending March 31, 2025, a copy of which is included in the Bookkeeper's Report.

Upon a motion made by Director Winkle and seconded by Director Fugate, the Board voted unanimously to approve (i) the Bookkeeper's Report and payment of the District bills and (ii) the budget for fiscal year ending March 31, 2025.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board recognized Ms. Ahlschlager-Caudle, who presented the Tax Assessor-Collector's Report for the Board's review and approval, along with certain checks for payment for the month of February, 2024. Ms. Ahlschlager-Caudle stated that 96.71% of the 2023 tax levy has been collected as of February 29, 2024. A copy of the TAC's Report is attached hereto as Exhibit

“D.” After review and discussion, Director Fugate moved to approve the TAC Report and payment of the bills presented therein. Director Kent seconded the motion, which passed unanimously.

OPERATOR’S REPORT

The Board recognized Mr. Smith who presented the Operator’s Report, a copy of which is attached hereto as Exhibit “E.” Mr. Smith noted that there were 1,455 connections in the month ending February, 2024, and that the total water accountability for the District was 103.06%. Mr. Smith noted the high accountability is likely due to rental meters and construction within the District. Si will continue to monitor the accountability and report back to the Board. He also presented a list of delinquent accounts.

Amend Rate Order

The Board recognized Ms. Kilgore who presented an Amended Rate Order, a copy of which is attached as Exhibit “F,” to account for the garbage collection service fuel surcharge and the 2023 Consumer Price Index adjustment to the garbage service fee implemented by Texas Pride Disposal.

Adopt Resolution Evidencing Review of Identity Theft Prevention Program

Ms. Kilgore stated that the District is required to annually review its Identity Theft Prevention Program and reviewed i) a letter from Si stating that the District had no red flag violations for the 2023 annual reporting period (“Letter”) and ii) a Resolution Evidencing Review of Identity Theft Prevention Program (“Resolution”). The Letter and Resolution are attached hereto as Exhibit “G.”

Following review and discussion, upon a motion made by Director Winkle and seconded by Director Fugate, the Board voted unanimously to i) approve the Operator’s Report and the action items listed therein, ii) authorize the termination of service to delinquent accounts in accordance with the District’s Rate Order, iii) adopt the Amended Rate Order as presented, and iv) adopt the Resolution.

ENGINEER’S REPORT

The Board recognized Ms. Kinchen who presented and reviewed the Engineer’s Report, a copy of which is attached hereto as Exhibit “H.” Ms. Kinchen requested that the Board authorize and approve the following:

- Approve Pay Estimate No. 15 in the amount of \$155,610.00 for construction of remote water well no. 2; and
- Approve Pay Estimate No. 4 in the amount of \$954,332.00 for construction of the water, sewer, drainage, and paving facilities to serve Caldwell Ranch, Section 10.

After review and discussion and based on the engineer's recommendation, Director Kent moved to approve the Engineer's report and action items listed therein. Director Winkle seconded the motion, which passed unanimously.

HEAR LANDSCAPE ARCHITECT REPORT

No Landscape Architect's report was received.

DEVELOPER'S REPORT

No Developer's report was received.

HEAR TOUCHSTONE DISTRICT SERVICE'S REPORT

The Board recognized Mr. West who presented Touchstone District Services' Communications Report, a copy of which is attached hereto as Exhibit "I." Mr. West provided updates on communication projects and tasks that have occurred since the last meeting. No action was taken.

ATTORNEY'S REPORT

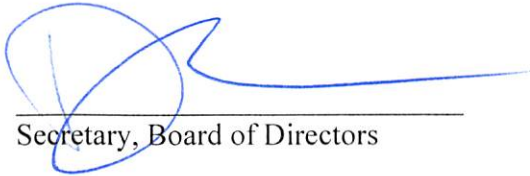
Order Declaring Unopposed Candidates Elected to Office and Cancelling Election

The Board recognized Ms. Kilgore who presented an Order Declaring Unopposed Candidates Elected to Office and Cancelling Election ("Order"), noting that the three unopposed candidates for the Directors Election are Quinan Chang, Corinne Haworth, and Afolake Cannon, who will be sworn in at the Board meeting after the May election date. After review and discussion, Director Fugate moved to adopt the Order. Director Kent seconded the motion, which passed unanimously. A copy of the Order is attached hereto as Exhibit "J."

There being no further business to come before the Board, upon a motion duly made, seconded and approved unanimously, the meeting was adjourned.

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PASSED, APPROVED AND ADOPTED, this 9th day of April, 2024.



Secretary, Board of Directors

(DISTRICT SEAL)

