

MINUTES OF MEETING  
OF THE  
BOARD OF DIRECTORS

February 13, 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, February 13, 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: Daniel Rose of D.R. Horton, a Developer of land in the District; Aimee Ordeneaux of Texas Pride Disposal, the District’s garbage service provider; Corey Laughner of KGA DeForest Design, the District’s landscape architect; Danae Dohoyos of Touchstone District Services, the District’s web services provider; Vanessa Hernandez of Myrtle Cruz, Inc., the District’s Bookkeeper; Sara Ahlschlager-Caudle and Jaclyn Smith of Utility Tax Service, LLC, the District’s Tax Assessor-Collector (“TAC”); Chris Prugar and Kait Hoffman of Tierra Financial Advisors, LLC, the District’s Financial Advisor; Carlous Smith of SiEnvironmental, the District’s Operator; Hunter Soape of CDC Unlimited, LLC, the District’s mowing/detention maintenance provider; Abel Gallegos of LJA Engineering, the District’s Engineer; and Laken Kilgore, attorney, and Monica Britton, 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 who wished to address the Board.

APPROVE MINUTES OF MEETING

The Board reviewed the minutes from the meeting held January 9, 2024, which were previously distributed to the Board. Upon a motion by Director Fugate, seconded by Director Kent, the Board voted unanimously to approve the minutes from the meeting held January 9, 2024.

CONSIDER SECOND AMENDMENT TO RESIDENTIAL SOLID WASTE COLLECTION CONTRACT

The Board recognized Ms. Ordeneaux who presented a Second Amendment to Residential Solid Waste Collection Contract for the Board's review and consideration, a copy of which is attached hereto as Exhibit "B". She noted that the contract was being amended to include a variable fuel surcharge. She explained that if the fuel increases to \$3.25 per gallon or more, the fuel recovery fee will be included in the District's monthly invoice. She noted that a 1.0% charge will be included for every \$0.25 if the fuel charge is over \$3.25.

After discussion, upon a motion by Director Winkle, seconded by Director Kent, the Board voted unanimously to approve the Second Amendment to Residential Solid Waste Collection Contract.

HEAR FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Prugar who provided the Financial Advisor's Report.

Approve Resolution Requesting Estimate of Value

Ms. Kilgore presented a Resolution Requesting Estimate of Value as of March 1, 2024 for the Board's approval, a copy of which is attached hereto as Exhibit "C".

Approve proposal for Series 2024 Road Bonds

This action was deferred.

Upon a motion by Director Fugate, seconded by Director Winkle, the Board voted unanimously to approve the Resolution Requesting Estimate of Value as of March 1, 2024.

HEAR CDC UNLIMITED REPORT

The Board recognized Mr. Soape who presented the CDC Unlimited Report, a copy of which is attached hereto as Exhibit "D". Mr. Soape provided the following updates:

- January mowing was completed as normal;
- Recent rains have washed trash and debris from storm water and windblown trash into the detentions; extensive trash collection and removal is needed.

Mr. Soape next requested the Board's approval to collect the trash and debris from the detentions at a cost not to exceed \$2,000 based on \$165 per hour for a three (3) man crew.

Upon a motion by Director Winkle, seconded by Director Cannon, the Board voted unanimously to approve the collection of trash from the detention areas at a cost not to exceed \$2,000.

### BOOKKEEPER'S REPORT

The Board recognized Ms. Hernandez 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 "E".

#### Review draft budget for fiscal year end 2025

Ms. Hernandez presented a draft budget for fiscal year end 2025 for the Board's review. She noted that it will be presented for approval at the next meeting and requested the consultants review and provide feedback.

Upon a motion made by Director Haworth, seconded by Director Fugate, the Board voted unanimously to approve the Bookkeeper's Report and payment of the District bills.

### 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 January, 2024. Ms. Ahlschlager-Caudle stated that 94.49% of the 2023 tax levy has been collected to date. A copy of the TAC's Report is attached hereto as Exhibit "F".

#### Approve Resolution Authorizing 20% Penalty on Delinquent 2023 Taxes

Ms. Kilgore presented a Resolution Implementing 20% Penalty on 2023 Delinquent Taxes, a copy of which is attached hereto as Exhibit "G." She noted that delinquent property tax accounts began incurring penalties and interest charges as of February 1, 2024, and that as of July 1, 2024, all delinquent accounts will be turned over to the District's delinquent tax attorney for collection, and an additional 20% penalty will be implemented to defray the costs of collection.

#### Adopt Resolution Concerning 2024 Tax Exemptions

The Board recognized Mr. Prugar who discussed and presented an Over 65 and Disabled Property Tax Exemption Analysis for Tax Year 2023, a copy of which is attached hereto as Exhibit "H." Mr. Prugar noted that the Board previously adopted a \$5,000 resident homestead exemption to those who are disabled or age 65 or older. The Board considered adopting a Resolution Concerning Tax Exemptions for 2024, a copy of which is attached hereto as Exhibit "I."

After discussion, and based upon a motion by Director Kent, seconded by Director Winkle, the Board voted unanimously to (i) approve the Tax Assessor-Collector's Report and the action items listed therein, (ii) the Resolution Implementing 20% Penalty on 2023 Delinquent Taxes, and (iii) the Resolution Concerning Tax Exemptions for 2024, by which a \$5,000 resident homestead exemption would be granted to those who are disabled or age 65 or older.

#### OPERATOR'S REPORT

The Board recognized Mr. Smith who presented the Operator's Report, a copy of which is attached hereto as Exhibit "J". Mr. Smith noted that there were 1,424 connections in the month ending January, 2024, and that the total water accountability for the District was 98.42%. He also reviewed the delinquent accounts.

Upon a motion by Director Kent, seconded by Director Winkle, the Board voted unanimously to approve the Operator's Report and the action items listed therein, including the termination of delinquent accounts in accordance with the District's Rate Order.

#### ENGINEER'S REPORT

The Board recognized Mr. Gallegos who presented and reviewed the Engineer's Report, a copy of which is attached hereto as Exhibit "K". Mr. Gallegos requested that the Board authorize and approve the following:

- Approve Pay Estimate No. 6 in the amount of \$285,000 and Change Order No.2 in the amount of \$63,378.75 for WS&D & Paving Caldwell Ranch Section 8 and Southern Colony Avenue Extension Phase 1 & 2.
- Approve Pay Estimates Nos. 4 and 5 in the amounts of \$472,806.36 and \$116,966.25 for WS&D & Paving Caldwell Ranch Section 9.
- Approve Pay Estimates Nos. 2 and 3 in the amounts of \$836,407.26 and \$164,338.20 for WS&D & Paving Caldwell Ranch Section 10.

After discussion and the question being put to the Board, upon a motion by Director Fugate, seconded by Director Kent, the Board voted unanimously to approve the Engineer's Report and the action items listed therein.

#### HEAR LANDSCAPE ARCHITECT REPORT

The Board recognized Mr. Laughner who presented and reviewed the Landscape Architect Report, a copy of which is attached hereto as Exhibit "L". Mr. Laughner requested that the Board authorize and approve the following:

- Pay Application No. 2 in the amount of \$19,909.98 and Change Order No. 1 in the amount of \$7,832.75 to JCT Landscape Maintenance and Irrigation Corp. dba Junction Landscape.

After discussion and the question being put to the Board, upon a motion by Director Winkle, seconded by Director Kent, the Board voted unanimously to approve the Landscape Architect Report and the action items listed therein.

DEVELOPER'S REPORT

The Board recognized Mr. Rose who provided updates on development in the District. No action was taken.

HEAR TOUCHSTONE DISTRICT SERVICE'S REPORT

The Board recognized Ms. Dehoyos who presented the Touchstone District Service's Report, a copy of which is attached hereto as Exhibit "M". Ms. Dehoyos provided updates on communication projects and tasks that have occurred since the last meeting. No action was taken.

ATTORNEY'S REPORT

The Board recognized Ms. Kilgore who presented the Attorney's Report.

Approve Election Agreement and Contract for Election Services with Fort Bend County

The Board considered approving an Election Agreement and Contract for Election Services with Fort Bend County. She noted that if an election is held, the date of the election will be May 4, 2024, and noted that Directors Cannon, Kent and Haworth have terms expiring May, 2024. A copy of the Election Agreement and Contract is attached hereto as Exhibit "N".

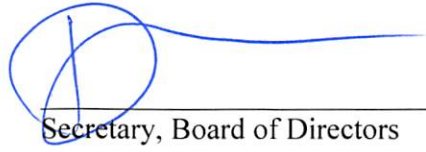
Upon a motion duly made by Director Fugate, seconded by Director Kent, the Board voted unanimously to approve the Election Agreement and Contract for Election Services with Fort Bend County.

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 12th day of March, 2024.

(DISTRICT SEAL)

  
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Secretary, Board of Directors

