

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

January 9, 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, January 9, 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 870 859 58098#, 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: Brandon West of Touchstone District Services, the District’s web services provider; Vanessa Hernandez 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, the District’s Operator; Hunter Soape of CDC Unlimited, LLC, the District’s mowing/detention maintenance provider; Kathleen Kinchen 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.

APPROVE MINUTES OF MEETING

The Board reviewed the minutes from the meeting held December 12, 2023, 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 December 12, 2023.

HEAR FINANCIAL ADVISOR'S REPORT

The Board recognized Mr. Prugar who provided updates on the District's bond application. No action was taken.

HEAR CDC UNLIMITED REPORT

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

- December mowing was completed as normal.

No action was taken.

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 "C".

Upon a motion made by Director Winkle, seconded by Director Kent, 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 December, 2023. Ms. Ahlschlager-Caudle stated that 4.03% of the 2023 tax levy has been collected to date. A copy of the TAC's Report is attached hereto as Exhibit "D".

After discussion, and based upon a motion by Director Fugate, seconded by Director Winkle, the Board voted unanimously to approve the Tax Assessor-Collector's Report and the action items listed therein.

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 1,425 connections in the month ending December, 2023, and that the total water accountability for the District was 107.92%.

Mr. Smith noted that the water accountability was high for the month of December. He informed the Board that the North Fort Bend Water Authority is repairing the well assembly meter which should help with the accountability.

Mr. Smith next informed the Board that there have been changes to federal regulations regarding credit card and ACH payments. He stated that Heartland Payment Systems facilitates all of the District's e-payment options and they must comply with "Federal Know Your Customer" requirements. He next presented an addendum to the Heartland Payment Systems Agreement and associated documents for the Board's review and approval. A copy of the agreement is attached hereto as Exhibit "F".

Upon a motion by Director Kent, seconded by Director Fugate, the Board voted unanimously to approve (i) the Operator's Report and the action items listed therein and (ii) the Heartland Payment Systems Addendum, subject to final review and approval by Coats Rose.

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 "G". Ms. Kinchen requested that the Board authorize and approve the following:

- Approve Pay Estimate No. 14 for the Remote Well in the amount of \$176,474.88.

After discussion and the question being put to the Board, upon a motion by Director Fugate, seconded by Director Winkle, 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 "H". Mr. Laughner requested that the Board authorize and approve the following:

- Pay Application No. 1 to JCT Landscape Maintenance and Irrigation Corp. dba Junction Landscape in the amount of \$85,478.98.
- Award Caldwell Ranch Section 10 Landscape Improvements project to low bidder JCT Landscape, Maintenance and Irrigation Corp. dba Junction Landscape in the amount of \$117,498.39.

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 Landscape Architect Report and the action items listed therein.

DEVELOPER'S REPORT

No report was presented.

HEAR TOUCHSTONE DISTRICT SERVICE'S REPORT

The Board recognized Mr. West who presented the Touchstone District Service's 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

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

Adopt Order Calling Directors Election

The Board next considered adopting an Order Calling Directors Election and appointing Coats|Rose as agent for the election. Ms. Kilgore reviewed and discussed the process of calling an election and the circumstances by which the District may cancel such election if the candidates to be listed on the ballot are unopposed. She noted that if an election is held, the date of the election will be May 4, 2024, and pointed out that Directors Cannon, Kent and Haworth have terms expiring May, 2024.

Ms. Kilgore next explained that the Texas Election Code requires a political subdivision to have mandatory office hours during the period beginning not later than the 50th day before the date of the election and ending not earlier than the 40th day after Election Day. She continued that the Texas Election Code also provides that the political subdivision may appoint another officer or employee to serve as its agent to perform the duties required by the Texas Election Code.

A copy of the Order Calling Directors Election is attached hereto as Exhibit "J".

Review and approve renewal of District insurance with McDonald & Wessendorff

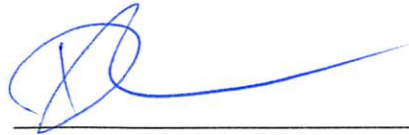
The Board next considered renewing the District's insurance and reviewed a renewal proposal from McDonald & Wessendorff. A copy of the renewal proposal is attached hereto as Exhibit "K".

Upon a motion duly made by Director Fugate, seconded by Director Kent, the Board voted unanimously to approve (i) the Order Calling Directors Election and appointing Coats Rose as agent for the election and (ii) the renewal insurance proposal with McDonald & Wessendorff.

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

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

PASSED, APPROVED AND ADOPTED, this 13th day of February, 2024.



Secretary, Board of Directors

(DISTRICT SEAL)

