

MINUTES OF MEETING
OF THE
BOARD OF DIRECTORS

February 11, 2025

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 11, 2025, 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 823 0890 6767#, whereupon, the roll was called of the members of the Board of Directors, to-wit:

Corinne Haworth	-	President
Julie Winkle	-	Vice President
Afolake Cannon	-	Secretary
Bret Fugate	-	Assistant Secretary
Quinan Chang	-	Assistant Secretary

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

Also present at the meeting were: Chris Prugar and Kait Hoffman of Tierra Financial Advisors, LLC, the District’s Financial Advisor; Brandon West of Touchstone District Services, the District’s web services provider; Vanessa Hernandez of Myrtle Cruz, Inc., the District’s Bookkeeper; Carlous Smith of SiEnvironmental (“Si”), the District’s Operator; Hunter Soape of CDC Unlimited, LLC, the District’s mowing/detention maintenance provider; Lisa Sustaita of Utility Tax Service, LLC, the District’s Tax Assessor-Collector (“TAC”); Kathleen Kinchen of LJA Engineering, the District’s Engineer; and Laken Kilgore, attorney, Emily Forswall, 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 January 14, 2025, which were previously distributed to the Board. Upon a motion by Director Fugate, seconded by Director Cannon the Board voted unanimously to approve the minutes from the meeting held January 14, 2025.

DISCUSS REQUEST FROM CALDWELL RANCH HOA

Ms. Kilgore informed the Board that the Caldwell Ranch Homeowner's Association ("HOA") has reached out to gauge the District's interest in cost sharing for supplemental law enforcement services. The Board discussed and requested Ms. Kilgore to provide feedback to the HOA and to obtain proposals to be presented for review at the next meeting.

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 reminded the Board about the clover overgrowth issue in the District. He presented two (2) options for the Board's review and consideration to address the issue: (i) Option A which covers Lakes A, B, F & Lake E&G channel and (ii) Option B which covers all district detention facilities. Mr. Soape informed the Board that he recommends Option B covering all areas to decrease possible cross contamination during maintenance of all detention facilities.

Mr. Soape then discussed the issue with loose fence debris. He reminded the Board of the ongoing issues with contractors leaving debris from fence replacements because of Hurricane Beryl and noted that the debris is a safety hazard for mowers and maintenance workers. He requested the Board's authorization to remove loose fence debris at a cost not to exceed \$3,000.

Approve amended budget for maintenance of joint facilities

This action was deferred.

After discussion and the question being presented to the Board, the Board voted unanimously to approve (i) the Option B proposal that covers all district detention facilities to address clover overgrowth issue and (ii) authorization to remove loose fence debris clean up at a cost not to exceed \$3,000.

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 "C."

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

Review FYE budget for fiscal year ending March 31, 2026

Ms. Hernandez reviewed with the Board the draft budget for fiscal year ending March 31, 2026 and requested consultants provide her with feedback before the March meeting.

TAX ASSESSOR-COLLECTOR'S REPORT

The Board recognized Ms. Sustaita, 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, 2025. Ms. Sustaita stated that 95.31% of the 2024 tax levy has been collected as of January 31, 2025. A copy of the Tax Assessor-Collector's Report is attached hereto as Exhibit "D."

After review and discussion, Director Cannon moved to approve the Tax Assessor-Collector's Report and payment of the bills presented therein. Director Fugate seconded the motion, which passed unanimously.

Adopt Resolution Concerning 2025 Tax Exemptions

The Board recognized Mr. Prugar who presented an Over 65 and Disabled Property Tax Exemption Analysis for Tax Year 2025, a copy of which is attached hereto as Exhibit "E." Mr. Prugar noted that the Board previously adopted a \$5,000 residential homestead exemption to those who are disabled or age 65 or older. After discussion, the Board considered adopting a Resolution Concerning Tax Exemptions for 2025 offering a \$5,000 residential homestead exemption for over 65 and disabled. A copy of the Resolution is attached hereto as Exhibit "F."

Adopt Resolution Authorizing 20% Penalty on Delinquent 2024 Taxes

Ms. Kilgore presented a Resolution Implementing 20% Penalty on 2024 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, 2025, and that as of July 1, 2025, 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.

After discussion, and based upon a motion by Director Fugate, seconded by Director Cannon, the Board voted unanimously to adopt (i) the Resolution Concerning Tax Exemptions for 2025 and (ii) the Resolution Implementing 20% Penalty on 2024 Delinquent Taxes.

OPERATOR'S REPORT

The Board recognized Mr. Smith who presented the Operator's Report, a copy of which is attached hereto as Exhibit "H." Mr. Smith noted that there were 1,820 connections in the month

ending January, 2025, and that the total water accountability for the District was 99.54%. He also presented a list of delinquent accounts.

Following review and discussion, upon a motion made by Director Cannon and seconded by Director Haworth, the Board voted unanimously to approve the Operator's Report and the action items listed therein.

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 "I."

Adopt Order Authorizing and Application for Approval of Issue by Texas Commission on Environmental Quality ("TCEQ") for Projects and Issuance of Bonds for District's Series 2025 Bonds

Next, Ms. Kilgore presented to the Board an Application for Approval by TCEQ and Issuance of Bonds (the "Application") and an Order Authorizing Application for Approval of TCEQ for Project and Issuance of Bonds (the "Order") for the District's Series 2025 Bonds for their review and consideration, copies of which are attached hereto as Exhibit "J."

Upon a motion made by Director Fugate, seconded by Director Cannon, the Board voted unanimously to approve (i) the Engineer's Report and the action items listed therein and (ii) the Application and Order.

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 "K." 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. No action was taken.

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

[signature page follows]

PASSED, APPROVED AND ADOPTED this 11th day of March, 2025.

(DISTRICT SEAL)


Secretary, Board of Directors

