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MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 3

October 19, 2023

The Board of Directors (the "Board") of Cinco Municipal Utility District No. 3 (the "District") met in regular session, open to the public, on the 19th day of October, 2023, at the offices of Inframark Water & Infrastructure Services, 2002 West Grand Parkway North, Suite 100, Katy, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

Linda Larvin	President
Christina Och	Vice President
Kent Fahey	Secretary
Mark Canady	Assistant Secretary
Douglas Schroeder	Assistant Vice President

and all of the above were present, thus constituting a quorum.

Also attending the meeting in person or by phone were Gregg Nady of Willow Fork Drainage District; Lynnette Tujague and Hussian Ali of District Data Services, Inc.; Ashlie Whittemore of Wheeler & Associates, Inc.; Robert Miller of Inframark Water & Infrastructure Services; and Greer Pagan (who participated via phone line) and Franky Wallace of Allen Boone Humphries Robinson LLP ("ABHR").

COMMENTS FROM THE PUBLIC AND FUTURE AGENDA ITEMS

There were no public comments.

DISCUSS SIDEWALK IMPROVEMENTS ON MASON ROAD

Mr. Nady updated the Board on the sidewalk to Mason Road Trail Connection.

APPROVE MINUTES

The Board considered approving the minutes of the September 21, 2023, regular meeting. After review and discussion, Director Canady moved that the minutes be approved, as submitted. Director Fahey seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING MATTERS

There was no discussion on this agenda item.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Tujague presented and reviewed the bookkeeper's report and payment of the bills, a copy of which is attached. After review and discussion, Director Fahey moved to approve the bookkeeper's report and payment of the bills. The motion was seconded by Director Och, which passed unanimously.

ANNUAL REVIEW OF INVESTMENT POLICY

The Board conducted its annual review of the District's Investment Policy, and Mr. Pagan stated that neither ABHR nor the bookkeeper have any recommended changes. After review and discussion, Director Fahey made a motion to adopt a Resolution Regarding Annual Review of Investment Policy and to direct that a copy of the resolution be filed and retained in the District's records. Director Schroeder seconded the motion, which passed unanimously.

ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Pagan reviewed a Resolution Establishing Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions. He noted that the list of qualified broker/dealers provided by the District's bookkeeper is attached as an exhibit to the Resolution. After review and discussion, Director Fahey moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Schroeder seconded the motion, which passed unanimously.

2023 TAX RATE, CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM.

Mr. Pagan stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2023 total tax rate of \$0.29.

Director Larvin opened the public hearing. There being no comments from the public, Director Larvin closed the public hearing.

Mr. Pagan presented an Order Levying Taxes reflecting the proposed 2023 tax rate. He then presented an Amendment to Information Form reflecting the tax rate and

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stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Harris County.

After review and discussion, Director Fahey moved to: (1) adopt the Order Levying Taxes reflecting a total 2023 tax rate of \$0.275 per \$100 of assessed valuation, comprised of \$0.11 to pay debt service on water, sewer, and drainage bonds, \$0.085 allocated for the District's Cinco MUD 1 contract requirements, and \$0.08 operations and maintenance; (2) authorize execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. Director Schroeder seconded the motion, which passed unanimously.

OPERATION OF DISTRICT FACILITIES/TERMINATION OF SERVICE

Mr. Miller presented and reviewed the operator's report, a copy of which is attached. He discussed operation, maintenance, and repairs of District facilities. He stated that the water accountability for the previous month was 97%.

Mr. Miller presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment.

Mr. Miller presented Post Manhole Survey Repairs Year 2, a copy of which is attached to the operator's report. He requested that the Board authorize Inframark to survey the District for an amount not to exceed \$45,300, if needed.

After review and discussion, Director Schroeder moved to (1) approve the operator's report; (2) authorize termination of delinquent accounts in accordance with the District's Rate Order; (3) direct that the delinquent customer list be filed appropriately and retained in the District's official records; and (4) authorize Inframark to survey the District, as needed, for the amount not to exceed \$45,300. Director Fahey seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTIONS MATTERS; INCLUDING DELINQUENT TAX COLLECTIONS AND PAYMENT OF TAX BILLS

Ms. Whittemore presented and reviewed the tax assessor/collector's report and delinquent tax roll with the Board, copies of which are attached. After review and discussion, Director Fahey moved to approve the tax assessor/collector's report including payment of the tax bills. Director Canady seconded the motion, which passed unanimously.

ENGINEERING MATTERS

There was no discussion on this agenda item.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

NORTH FORT BEND WATER AUTHORITY MATTERS

There was no discussion on this agenda item.

CINCO MUNICIPAL UTILITY DISTRICT NO. 1 MATTERS

There was no discussion on this agenda item.

WILLOW FORK DRAINAGE DISTRICT MATTERS

There was no discussion on this agenda item.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)

Secretary, Board of Directors

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