

MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 3

January 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 January, 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 were Dennis Spellman, a resident of the District; Alex Schmid of Texas Pride Disposal (“Texas Pride”); Jennifer Hanna of FORVIS LLC; Lynnette Tujague of District Data Services, Inc.; Rene Andel of Wheeler & Associates, Inc.; Robert Miller of Inframark Water & Infrastructure Services (“Inframark”); and Greer Pagan and Kathryn Blanton of Allen Boone Humphries Robinson LLP (“ABHR”).

COMMENTS FROM THE PUBLIC AND FUTURE AGENDA ITEMS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the December 14, 2022, regular meeting. After review and discussion, Director Schroeder moved that the minutes be approved, as submitted. The motion was seconded by Director Och, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2022

Ms. Hanna reviewed the District’s audit for fiscal year end September 30, 2022. After review and discussion, Director Och moved to approve the District’s audit for fiscal year end September 30, 2022, subject to final review. The motion was seconded by Director Schroeder, which passed unanimously.

DISCUSS SIDEWALK IMPROVEMENTS ON MASON ROAD

There was no discussion on this agenda item.

GARBAGE AND RECYCLING MATTERS

Mr. Spellman introduced himself to the Board as a resident of the District. He discussed ongoing garbage and recycling collection issues that he has experienced. He requested that the Board not renew the contract with Texas Pride.

Mr. Schmid discussed garbage and recycling collection issues, citing a shortage in parts for trucks and labor. Discussion ensued.

Director Och reported that she has received correspondence from residents regarding ongoing garbage and recycling collection issues.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Tujague presented and reviewed the bookkeeper's report and payment of the bills, a copy of which is attached.

In accordance with the District's Investment Policy, the Board considered the annual disclosure statements of the District's bookkeeper and investment officer. Mr. Pagan explained that the statements disclose any relationships with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District, and the disclosure statements will be filed with the Texas Ethics Commission and the District.

After review and discussion, Director Schroeder moved to: (1) approve the bookkeeper's report and payment of the bills; and (2) accept the disclosure statements as presented and to authorize they be filed appropriately. The motion was seconded by Director Och, which passed unanimously.

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

Ms. Andel 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 and payment of the tax bills. The motion was seconded by Director Schroeder, which passed unanimously.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Pagan reported on the District's compliance activities during the prior calendar year related to bond financings. He stated that no corrective action is required at this time.

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 94%.

Mr. Miller updated the Board regarding the North Fort Bend Water Conservation Program rebates.

Mr. Miller discussed rules adopted by the Public Utility Commission of Texas ("PUC") to implement legislation prohibiting certain retail water or sewer providers from imposing late fees or terminating service for nonpayment of water bills that are due during a period when the previous day's highest temperature and the predicted temperature for the next 24 hours is not higher than 28 degrees Fahrenheit. Mr. Miller then presented a proposed Amended Rate Order incorporating the provisions of the PUC rules, including terms for customers to request and receive a payment schedule for payment of bills due during such an extreme weather emergency.

Mr. Miller requested authorization to send one uncollectible account totaling \$167.80 to a collection agency. He noted that there are zero write-offs for the month.

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.

After review and discussion, Director Schroeder moved to: (1) approve the operator's report; (2) approve the Amended Rate Order; (3) authorize the operator to send one uncollectible account totaling \$167.80 to a collection agency; (4) authorize termination of delinquent accounts in accordance with the District's Rate Order; and (5) direct that the Amended Rate Order and delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Fahey, which passed unanimously.

ENGINEERING MATTERS, INCLUDING PHASE II MS4 PERMITTING MATTERS

There was no discussion on this agenda item.

DISTRICT WEBSITE MATTERS

The Board reviewed the website analytics report from Off Cinco, a copy of which is attached.

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, INCLUDING PROJECT BARKER

There was no discussion on this agenda item.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board did not convene in executive session.

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

Secretary, Board of Directors

(SEAL)

DRAFT

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