

# DRAFT

## MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 3

May 19, 2022

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 May, 2022, 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 except Director Canady, thus constituting a quorum.

Also attending the in person or by teleconference meeting were Lisa Govea, Texas Pride Disposal (“Texas Pride”); Rene Andel of Wheeler & Associates, Inc. (“Wheeler”); Lynnette Tujague of District Data Services, Inc. (“DDS”); Robert Miller of Inframark Water & Infrastructure Services (“Inframark”); and Lelia Pappas 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 April 21, 2022, regular meeting. After review and discussion, Director Schroeder moved that the minutes be approved, as submitted. The motion was seconded by Director Och and passed unanimously.

### 2022 DIRECTORS ELECTION

#### CERTIFICATES OF ELECTION

The Board considered approving a Certificate of Election reflecting the re-election Linda Larvin, Christina Och, and Kent Fahey to the Board of Directors of the District for a four-year term.

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## DIRECTORS' SWORN STATEMENTS AND OATHS OF OFFICE

The Board considered accepting the Sworn Statement and Oath of Office for Directors Larvin, Och, and Fahey.

Following review and discussion, Director Schroeder moved to (1) approve the Certificates of Election; (2) approve the Sworn Statements and Oaths of Office for Directors Larvin, Och, and Fahey; and (3) authorize filing of the Oaths of Office with the Secretary of State as required by law. Director Fahey seconded the motion, which passed unanimously.

## REORGANIZE THE BOARD

The Board concurred to take no action on this agenda item.

## DISTRICT REGISTRATION FORM

The Board then considered authorizing filing an updated District Registration Form with the Texas Commission on Environmental Quality ("TCEQ") reflecting the terms of the newly elected directors. Following review and discussion, Director Och moved to authorize filing of the updated District Registration Form with the TCEQ. Director Schroeder seconded the motion, which passed unanimously.

## OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

There was no discussion on this agenda item.

## CONFLICT OF INTEREST DISCLOSURE REQUIRED UNDER CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE, INCLUDING REVIEW OF DISCLOSURE FORMS ADOPTED BY THE TEXAS ETHICS COMMISSION AND LIST OF LOCAL GOVERNMENT OFFICERS

The Board then next reviewed Chapter 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest and the forms adopted by the Texas Ethics Commission for making disclosures under Chapter 176 and noted the forms are required to be filed with the records administrator for the District within seven days of a disclosable conflict arising. Ms. Pappas encouraged Board members to contact ABHR if assistance is needed in determining whether a conflict requires disclosure or in making a required disclosure.

Ms. Pappas stated that pursuant to Chapter 176 of the Texas Local Government Code, the District will maintain a List of Local Government Officers. The Board reviewed the List of Local Government Officers.

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After review and discussion, Director Schroeder moved to approve the List of Local Government Officers and direct that the list be filed in the official records of the District. The motion was seconded by Director Och and passed unanimously.

## DISCUSS SIDEWALK IMPROVEMENTS ON MASON ROAD

There was no discussion on this agenda item.

## GARBAGE AND RECYCLING MATTERS

The Board discussed complaints made by District residents regarding trash collection in the District including containers not being placed back where they were left, backdoor service not being provided, and repeated missed collections during the contract term. Ms. Govea reported that Texas Pride has recently hired and trained 15 new drivers and believes that service will continue to improve in the coming weeks. She further stated that Texas Pride will send a supervisor to the District monitor that trash is being picked up and containers are replaced where they were left. Ms. Govea reminded the Board that Texas Pride does not collect construction debris.

Discussion ensued regarding a request from Texas Pride for an increase to the contracted price from \$20.15 to \$22.49 per home. The Board took no action on this.

## FINANCIAL AND BOOKKEEPING MATTERS

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

## AUTHORIZE RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board reviewed a proposal from HARCO to renew the District's insurance policies. After review and discussion, Director Fahey moved to approve the proposal from HARCO to renew the District's insurance policies and direct that it be filed appropriately and retained in the District's official records. Director Schroeder seconded the motion which passed unanimously.

## TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board reviewed the District's Travel Reimbursement Guidelines and discussed directors' expenses for the AWBD summer conference. Following review and discussion, Director Och moved to authorize reimbursement of up to four per diems, hotel expenses for three nights, and all meals not covered by the conference for Board

members attending the summer conference. Director Schroeder seconded the motion which passed unanimously.

## TAX ASSESSMENT AND COLLECTIONS MATTERS

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 Schroeder moved to approve the tax assessor/collector's report. The motion was seconded by Director Och and 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 95%.

Mr. Miller then reviewed a 2022 Average Price Index ("API") adjustment notice for the District, a copy of which is attached, stating the current rate will increase by 3.042% from \$2.84 to \$2.93 per month per residence effective beginning with the May, 2022 billing cycle.

The Board review a sanitary manhole survey report, a copy of which is included in the operations report, showing various manholes in need of repair organized by priority. Discussion ensued.

Mr. Miller requested authorization to replace one commercial water meter that is not registering water usage correctly and is outside of warranty period.

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 then reviewed one uncollectable account and requested authorization to send the account to the collection agency.

After review and discussion, Director Och moved to (1) approve the operator's report; (2) authorize Inframark to repair all of the priority one manholes in need of repair; (3) authorize Inframark to replace one commercial water meter that is not registering correctly; (4) authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records; and (5) authorize Inframark to send the one uncollectable account to the collections agency. The motion was seconded by Director Fahey and passed unanimously.

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The Board considered amending the District's Rate Order to recover the cost of the 3.042% API increase. Mr. Miller reviewed handout of proposed revisions to the Rate Order, a copy of which is included in the operations report, including increasing fees for residential meter taps, pre-site inspections/re-inspections, slab inspections, wall inspections, fixture inspection, final site surveys, backflow prevention inspections, grease trap inspections, delinquency notices, delinquent door tags, meter reconnections, illegal use of meters, service account transfers, returned checks/payment reversals, and confidentiality letters. After discussion, Director Schroeder moved to accept the proposed Rate Order fee increases. Director Fahey seconded the motion which passed unanimously.

## APPROVE CONSUMER CONFIDENCE REPORT ("CCR") AND AUTHORIZE OPERATOR TO DELIVER CCR AND FILE CERTIFICATE OF DELIVERY WITH THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ("TCEQ")

Mr. Miller reviewed the District's proposed 2021 CCR. He stated that the CCR must be delivered to District customers and filed with the Texas TCEQ by July 1, 2021. After review and discussion, Director Och moved to approve the CCR and authorize distribution of the CCR to District customers and filing of the certificate of delivery with the TCEQ. The motion was seconded by Director Fahey and passed unanimously.

## ENGINEER'S REPORT, INCLUDING PHASE II MS4 PERMITTING MATTERS

There was no discussion on this agenda item.

## DISTRICT WEBSITE MATTERS

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

## NORTH FORT BEND WATER AUTHORITY MATTERS

The Board generally discussed the North Fort Bend Water Authority CORE 3 Initiative.

## 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.

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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 convened in executive session at 7:00 p.m. to conduct a private consultation with the District's attorneys regarding potential litigation. In attendance were Directors Larvin, Schroeder, Fahey, and Och and Ms. Pappas.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 7:05 p.m. The Board took no action during executive session.

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

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Secretary, Board of Directors

(SEAL)

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