

MINUTES  
CINCO MUNICIPAL UTILITY DISTRICT NO. 3

July 20, 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 20th day of July, 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 except Director Canady, thus constituting a quorum.

Also attending the meeting were Larry Mueller of BGE, Inc. ("BGE"); 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 public comments.

APPROVE MINUTES

The Board considered approving the minutes of the June 15, 2023, regular meeting. After review and discussion, Director Schroeder moved that the minutes be approved, as submitted. Director Och seconded the motion, which passed unanimously.

DISCUSS SIDEWALK IMPROVEMENTS ON MASON ROAD

There was no discussion on this agenda item.

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. Director Schroeder seconded the motion, which passed unanimously.

## ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE, REIMBURSEMENT OF ELIGIBLE EXPENSES, AND ATTENDANCE AT WINTER CONFERENCE

The Board discussed the AWBD summer conference and considered authorizing attendance at the winter conference. After discussion, Director Och moved to approve reimbursement of all eligible expenses for Directors who attended the summer conference, which the District's bookkeeper confirmed are in compliance with the District's Travel Reimbursement Guidelines, and to authorize attendance of any interested Directors at the winter conference. Director Schroeder seconded the motion, which passed unanimously.

## REPORT ON LEGISLATIVE MATTERS

Mr. Pagan reviewed a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature.

## RESOLUTION ESTABLISHING DIRECTOR FEES OF OFFICE AND DISTRICT REIMBURSEMENT POLICY

Mr. Pagan stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. He noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation.

The Board then considered adopting a Resolution Establishing Director Fees of Office and District Reimbursement Policy to reflect that directors' fees of office shall be paid at the maximum rate allowed by law, noting that this would replace the previously adopted Resolution. After review and discussion, Director Och moved to adopt a Resolution Establishing Director Fees of Office and District Reimbursement Policy, effective Jun 18, 2023, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Schroeder seconded the motion, which passed unanimously.

## EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Pagan reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. He said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing the execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Mr. Pagan explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County, Harris County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Och moved to authorize execution of the Amendment to Information Form and to authorize filing with Fort Bend County, Harris County and the TCEQ. Director Schroeder seconded the motion, 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 including payment of the tax bills. Director Och seconded the motion, which passed unanimously.

## ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

The Board considered the District's 2023 tax rate. Mr. Pagan discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district's development status and/or tax rate. He reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. Following review and discussion, Director Fahey moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed district for the 2023 tax year, pursuant to Section 49.23602 Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Och 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 reviewed the North Fort Bend Water Authority 2023 Water Conservation Program initiatives.

Mr. Miller reviewed the post manhole survey repairs priority 2 cost, a copy of which is attached to the operation's report.

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 Fahey moved to (1) approve the operator's report; (2) authorize termination of delinquent accounts in accordance with the District's Rate Order; and (3) direct that the delinquent customer list be filed appropriately and retained in the District's official records. Director Schroeder seconded the motion, which passed unanimously. The Board concurred to table the post manhole survey repairs.

## ENGINEERING MATTERS

Mr. Mueller stated that the required updates to the District's Emergency Preparedness Plan ("EPP") have been completed. He requested authorization for BGE to file the updated EPP with the TCEQ. Following review, Director Och moved to (1) adopt the updated EPP; and (2) authorized BGE to file the updated EPP with the TCEQ. Director Schroeder seconded the motion, which passed unanimously.

## DISTRICT WEBSITE MATTERS

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

The Board then reviewed Exhibit A: Google Analytics ("Exhibit A") proposal, provided in advanced by Off Cinco, a copy of which is attached. Discussion ensued and the Board concurred to not take action.

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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