

DRAFT

MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 3

December 15, 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 15th day of December, 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 Fahey, thus constituting a quorum.

Also attending the meeting were Angela Airies of District Data Services, Inc.; Rene Anandel 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 November 17, 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.

DISCUSS SIDEWALK IMPROVEMENTS ON MASON ROAD

The Board reviewed correspondence from a resident regarding sidewalk flooding along Westheimer Parkway. Discussion ensued and the Board concurred to not take action.

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GARBAGE AND RECYCLING MATTERS AND AUTHORIZE APPROPRIATE ACTION

The Board reviewed a request from Texas Pride Disposal (“Texas Pride”) for a rate increase for garbage and recycling collection, a copy of which is attached. After review and discussion, Director Och moved to approve the rate increase for Texas Pride from \$20.15 to \$22.49 per home. The motion was seconded by Director Schroeder, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

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

Mr. Pagan reviewed the District’s Travel Reimbursement Guidelines and the Board discussed expenses for the upcoming Association of Water Board Directors winter conference.

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, copies of which are attached. After review and discussion, Director Och 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.

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 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 reviewed and discussed the one-time notice of the requirements that must be sent to utility customers by January 31, 2023.

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Mr. Miller requested authorization to send four uncollectable accounts totaling \$727.14 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) authorize Inframark to send the one-time notice to District customers; (3) authorize the operator to send four uncollectible accounts totaling \$727.14 to a collection agency; and (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. The motion was seconded by Director Och, which passed unanimously.

ENGINEERING 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.

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Mr. Pagan reported ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Section 2206.154, Texas Government Code.

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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 6:21 p.m., pursuant to Section 551.071 of the Texas Government Code, in order to conduct a private consultation with the District's attorneys regarding potential litigation. In attendance were Directors Larvin, Och, Canady, and Schroeder, and ABHR.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 6:22 p.m. The Board took no action during executive session.

Director Schroeder moved to authorize Director Larvin to sign a settlement agreement, as discussed during executive session. Director Och seconded the motion, which passed unanimously.

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

Secretary, Board of Directors

(SEAL)

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