

MINUTES
CINCO MUNICIPAL UTILITY DISTRICT NO. 1
(Internal)

January 4, 2022

The Board of Directors (the "Board") of Cinco Municipal Utility District No. 1 (the "District") met in regular session, open to the public, on January 4, 2022, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, Houston, Texas, outside the boundaries of the District, and the roll was called of the members of the Board:

G. Tim Lawrence	President
Jim Cusack	Vice President
Sharon Bauer	Secretary
Kermit Palmer	Assistant Vice President
Mike Price	Assistant Secretary

and all of the above were present except Directors Lawrence and Bauer, thus constituting a quorum.

Also attending the meeting were Jennifer Hanna of BKD, LP; Tom Crayton of F. Matuska, Inc.; Larry Mueller of BGE, Inc. ("BGE"); Rene Anadel of Wheeler & Associates, Inc.; Jeffrey Knight of Masuen Consulting, LLC; ElizaBeth Reeves of Inframark Water & Infrastructure Services ("Inframark"); and Harry H. Thompson and Rachel Wooten of Allen Boone Humphries Robinson LLP ("ABHR").

PLEDGE OF ALLEGIANCE

The Board conducted the Pledge of Allegiance.

PUBLIC COMMENTS

There were no comments from the public.

MINUTES

The Board considered approving the minutes of the December 7, 2021, regular meeting. After discussion, Director Palmer moved to approve the minutes of the December 7, 2021, regular meeting, as presented. Director Price seconded the motion, which passed unanimously.

2022 DIRECTORS ELECTION

Mr. Thompson discussed procedures related to the 2022 Directors Election. He

reviewed a Resolution Designating an Agent of the Secretary of the Board of Directors During the 2022 Directors Election Period. Following review and discussion, Director Palmer moved to adopt a Resolution Designating an Agent of the Secretary of the Board During the 2022 Directors Election Period appointing Jennifer Ramirez as the agent of the Secretary of the Board of Directors to perform the duties of the District's Directors Election, authorize the agent to post the related notice as required, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Price seconded the motion, which passed unanimously.

Mr. Thompson reported on requirements to post a Notice of Deadline to File Applications for Place on the Ballot for the 2022 Directors Election. Following discussion, Director Palmer moved to authorize the Secretary's agent to post the notice as required. Director Price seconded the motion, which passed unanimously.

Mr. Thompson stated that the District may contract with Fort Bend County to conduct the District's 2022 Directors Election. After discussion, Director Palmer moved to contract with Fort Bend County to administer the District's election, if necessary. Director Price seconded the motion, which passed unanimously.

APPROVE AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2021

Ms. Hanna presented the draft audit for fiscal year ending September 30, 2021. Following review and discussion, Director Palmer moved to approve the audit for fiscal year ended September 30, 2021, subject to final review. Director Price seconded the motion, which carried by unanimous vote.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Anadel reviewed the tax assessor/collector's report, a copy of which is attached. She reported that 29.07% of the District's 2021 taxes have been collected as of December 31, 2021.

After review and discussion, Director Palmer moved to approve the tax assessor/collector's report and payment of the tax bills. Director Price seconded the motion, which passed unanimously.

BOOKKEEPER'S REPORT

Mr. Crayton reviewed the bookkeeper's report, a copy of which is attached, and presented the bills for payment.

After review and discussion, Director Price moved to approve the bookkeeper's report and payment of the bills. Director Palmer seconded the motion, which passed unanimously.

ACCEPT ANNUAL DISCLOSURE STATEMENTS OF THE BOOKKEEPER AND INVESTMENT OFFICER

The Board considered accepting the annual disclosure statements of the bookkeeper and investment officer. Following review and discussion, Director Palmer moved to accept the annual disclosure statements of the bookkeeper and investment officer. Director Price seconded the motion, which passed by unanimous vote.

ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Thompson reported on the District's compliance activities during the prior calendar year related to bond financings. He reported that no corrective action to the District's Post-Issuance Compliance Policy is required at this time.

ADOPT RESOLUTION NOMINATING A CANDIDATE TO SERVE AS A DIRECTOR ON THE BOARD OF DIRECTORS OF THE NORTH FORT BEND WATER AUTHORITY ("NFBWA") PRECINCT NO. 6

Mr. Thompson reviewed correspondence from the NFBWA regarding the 2022 Director Appointment Process for the NFBWA, a copy of which is attached. After review and discussion, the Board took no action.

ATTORNEY'S REPORT

PROJECT BARKER UPDATE, INCLUDING APPROVAL OF INTERLOCAL AGREEMENT

Mr. Thompson reported on Willow Fork Drainage District's ("WFDD") Project Barker, including the Town Hall held on December 6, 2021. He stated that WFDD is seeking financial contributions to the project. Discussion ensued. The Board took no action.

OPERATOR'S REPORT

Ms. Reeves reviewed the operator's report, a copy of which is attached, and updated the Board regarding facility repairs. She stated water accountability for the previous month was 95%.

Ms. Reeves reported that there were no excursions at the South Wastewater Treatment Plant ("WWTP") or the Central WWTP.

Ms. Reeves stated that Inframark received a report of an elevated manhole in a sidewalk along Terrace Arbor Lane. She reviewed a proposal to correct the manhole's elevation in the amount of \$1,600.00.

The Board discussed the District's Rate Order. Mr. Reeves reviewed an Internal Rate Analysis, a copy of which is attached. She recommended increasing the District's base rate to \$26.00 per connection. After discussion, the Board deferred action on adopting an Amended Rate Order.

After review and discussion, and based on the operator's recommendation, Director Palmer moved to (1) approve the operator's report; and (2) approve the proposal in the amount of \$1,600.00 to correct the manhole's elevation along Terrace Arbor Lane. Director Price seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE

The Board conducted a hearing on the termination of utility service. Ms. Reeves reported that the customers appearing on the termination list were given proper notice and an opportunity to explain, contest, or correct the utility service bills and show reason why utility service should not be terminated for reason of nonpayment, all as required by the District's Rate Order. After discussion, Director Palmer moved that since the customers on the termination list did not attend the meeting or present any written statement on the matter, utility service should be terminated to all of the accounts. Director Price seconded the motion, which passed by unanimous vote.

APPROVE COMPLETION AND SUBMITTAL OF WATER USAGE REPORTING FORM TO THE NFBWA

Mr. Thompson stated that the District is required to submit a 2021 Water Usage Reporting Form to the NFBWA. He stated that Inframark needs to complete and submit the Water Usage Reporting Form to the NFBWA by March 1, 2022. After review and discussion, Director Palmer moved to authorize Inframark to complete and submit the Water Usage Reporting Form to the NFBWA. Director Price seconded the motion, which passed unanimously.

REPORT REGARDING WATER CONSERVATION

Mr. Knight updated the Board on water conservation matters in the District.

After review and discussion, Director Palmer moved to approve the conservation report. Director Price seconded the motion, which passed by unanimous vote.

ENGINEER'S REPORT

Mr. Mueller reviewed the engineer's report, a copy of which is attached.

Mr. Mueller updated the Board on the status of the Jasper Well No. 1, including the transfer pump upgrade project.

After review and discussion, Director Palmer moved to approve the engineer's report. Director Price seconded the motion, which passed unanimously.

BARKER RESERVOIR MATTERS, INCLUDING POTENTIAL PROJECTS AND LITIGATION

There was no discussion on this agenda item.

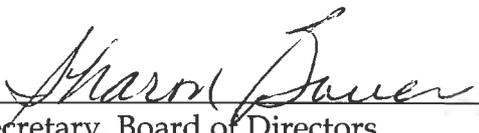
MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold the next internal meeting on February 1, 2022, at the offices of ABHR, subject to confirming a quorum.

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

(SEAL)




Secretary, Board of Directors

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