

MINUTES
CINCO MUNICIPAL UTILITY DISTRICT NO. 1
(Internal)

February 16, 2023

The Board of Directors (the “Board”) of Cinco Municipal Utility District No. 1 (the “District”) met in regular session, open to the public, on February 16, 2023, 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:

Mike Price	President
Dan Whitton	Vice President
Sharon Bauer	Secretary
Jim Cusack	Assistant Vice President
Vacant	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also attending the meeting either in person or on the telephone were Rob Duncan, member of the public; Cara Sliva of Artesian Financial Services, LLC; John Taylor of Masuen Consulting, LLC; Larry Mueller of BGE, Inc.; Rene Anandel of Wheeler & Associates, Inc.; ElizaBeth Reeves of Inframark Water & Infrastructure Services (“Inframark”); and Harry H. Thompson and Jennifer Ramirez of Allen Boone Humphries Robinson LLP (“ABHR”).

PLEDGE OF ALLEGIANCE

The Board conducted the Pledge of Allegiance.

PUBLIC COMMENTS

There was no discussion on this agenda item.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Anandel reviewed the tax assessor/collector’s report, a copy of which is attached. She reported that 91.6% of the District’s 2022 taxes have been collected as of January 31, 2023.

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

APPROVE MINUTES

The Board considered approving the minutes of the January 3, 2023, regular meeting. After review and discussion, Director Bauer moved to approve the minutes of January 3, 2023, regular meeting, as presented. Director Cusack seconded the motion, which passed unanimously.

APPOINTMENT OF NEW DIRECTOR

APPOINT NEW DIRECTOR

The Board considered appointing Robert Duncan, a duly qualified owner of taxable property in the District, to fill the vacant director seat. After discussion, Director Bauer moved to appoint Robert Duncan to the Board for the remainder of the unexpired term ending May 2, 2026. Director Cusack seconded the motion, which passed unanimously.

APPROVE DIRECTOR'S SWORN STATEMENT, OFFICIAL BOND, AND OATH OF OFFICE

The Board reviewed the Sworn Statement, Official Bond, and Oath of Office for Director Duncan. After review and discussion, Director Bauer moved to approve the Sworn Statement, Official Bond, and Oath of Office for Director Duncan and direct that the documents be filed appropriately and retained in the District's official records, and that the Oath of Office be filed with the Secretary of State as required by law. Director Cusack seconded the motion, which passed unanimously.

REORGANIZE BOARD AND AUTHORIZE EXECUTION AND FILING DISTRICT REGISTRATION FORM

The Board considered reorganizing the Board of Directors. Following discussion, Director Bauer moved to organize the Board as follows:

Mike Price	President
Dan Whitton	Vice President
Sharon Bauer	Secretary
Jim Cusack	Assistant Vice President
Robert B. Duncan	Assistant Secretary

Director Cusack seconded the motion, which passed unanimously.

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The Board then considered authorizing filing of an updated District Registration Form with the Texas Commission on Environmental Quality (“TCEQ”), reflecting the newly appointed director. Following review and discussion, Director Bauer moved to authorize filing of the updated District Registration Form with the TCEQ and direct that the District Registration Form be filed appropriately and retained in the District’s official records. Director Palmer seconded the motion, which passed unanimously.

OPEN MEETINGS ACT AND PUBLIC INFORMATION ACT TRAINING REQUIREMENTS

Ms. Ramirez reviewed a memorandum regarding the Texas Open Meetings Act and Texas Public Information Act prepared by ABHR, a copy of which is attached.

CONFLICT OF INTEREST DISCLOSURE AND LIST OF LOCAL GOVERNMENT OFFICERS

Ms. Ramirez reviewed Chapters 171 and 176 of the Texas Local Government Code, which requires directors and consultants to disclose certain conflicts of interest. She then reviewed the disclosures provided by Director Duncan and Inframark related to Inframark’s employment of Director Duncan’s spouse. Ms. Ramirez also reviewed the List of Local Government Officers. She informed the Board that the memorandum and associated information has been provided to Director Duncan.

APPROVE RESOLUTION COMMENDING KERMIT PALMER FOR EXEMPLARY SERVICE TO THE DISTRICT

The Board considered adopting a Resolution Commending Kermit Palmer for Exemplary Service to the District. After review and discussion, Director Bauer moved to adopt the Resolution Commending Kermit Palmer for Exemplary Service to the District and direct that the Resolution be filed appropriately and retained in the District’s official statement. Director Cusack seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS, INCLUDING AUTHORIZE POSTING OF CHAPTER 176 STATEMENTS AND QUESTIONNAIRES

Ms. Ramirez stated that Chapter 176 disclosure statements are required to be posted to the District’s website. After review and discussion, Director Bauer moved to authorize the posting of Director Duncan’s Chapter 176 disclosure statement to the District’s website. Director Whitton seconded the motion, which passed unanimously.

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RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board reviewed optional exemptions from taxation the District may grant, including a general residential homestead exemption and a homestead exemption for persons 65 years of age or older and disabled persons. Ms. Ramirez noted that the District currently offers a \$20,000 homestead exemption for persons 65 years of age or older and disabled persons. After discussion, the Board concurred to make no changes to the existing exemptions.

After review and discussion, Director Whitton moved to adopt the Resolution Concerning Exemptions from Taxation reflecting a homestead exemption in the amount of \$20,000 to persons 65 years of age or older and disabled persons and rejecting any exemption of general residential homesteads from ad valorem taxation, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Bauer seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

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

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

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

The Board discussed the AWBD winter conference and attendance at the summer AWBD conference. After discussion, Director Bauer moved to approve reimbursement of eligible director expenses from the winter AWBD conference, which the bookkeeper confirmed are in compliance with the District's Travel Reimbursement Guidelines, and authorize any interested directors to attend the summer AWBD conference. Director Whitton seconded the motion, which passed unanimously.

REPORT REGARDING WATER CONSERVATION MATTERS

Mr. Taylor updated the Board regarding water conservation matters.

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 94%.

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

Ms. Reeves reviewed one abandoned account with an outstanding balance in excess of \$25.00 and requested authorization to turn over the account to the collection agency to pursue collection. She also reviewed two abandoned accounts with an outstanding balance of less than \$25.00 and requested authorization to write off the accounts from the accounts receivable ledger as uncollectible. After discussion, the Board deferred action on the abandoned account with an outstanding balance in excess of \$25.00, pending the receipt of additional information from Inframark.

After review and discussion, and based on the operator’s recommendation, Director Whitton moved to (1) accept the operator’s report; and (2) authorize Inframark to write off the accounts with an outstanding balance of less than \$25.00 as uncollectible. Director Bauer 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 Whitton 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 Bauer seconded the motion, which passed unanimously.

REVIEW AND AUTHORIZE FILING OF UPDATED EMERGENCY PREPAREDNESS PLAN (“EPP”)

Mr. Mueller reviewed the updates to the District’s EPP. After review and discussion, Director Bauer moved to authorize filing of the updated Emergency Preparedness Plan. Director Whitton seconded the motion, which passed unanimously.

ENGINEERING MATTERS

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

Mr. Mueller updated the Board on the status of design of the Claircrest Drive sanitary sewer line repair.

Mr. Mueller updated the Board on the status of the Master District facilities.

After review and discussion, Director Cusack moved to accept the engineer’s report. Director Bauer seconded the motion, which passed unanimously.

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MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold the next internal meeting on March 7, 2023 at 11 a.m. at the offices of ABHR, subject to confirming a quorum.

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

Secretary, Board of Directors

(SEAL)

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