

DRAFT

MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 1 (Internal)

March 7, 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 March 7, 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
Robert B. Duncan	Assistant Secretary

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

Also attending the meeting were Lisa Rickert of Artesian Financial Services, LLC (“AFS”); John Taylor of Masuen Consulting, LLC; Larry Mueller of BGE, Inc.; Rene Andel 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.

APPROVE MINUTES

The Board considered approving the minutes of the February 16, 2023, regular meeting. After review and discussion, Director Cusack moved to approve the minutes of February 16, 2023, regular meeting, as presented. Director Whitton seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Andel reviewed the tax assessor/collector's report, a copy of which is attached. She reported that 95.03% of the District's 2022 taxes have been collected as of February 28, 2023.

After review and discussion, and based on the tax assessor/collector's recommendation, Director Whitton moved to approve the tax assessor/collector's report and payment of the tax bills. Director Cusack seconded the motion, which passed unanimously.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Rickert reviewed the bookkeeper's report, a copy of which is attached, and presented the bills for payment. The Board requested AFS include an asset summary page which includes all cash and investment balances.

After review and discussion, and based on the bookkeeper's recommendation, Director Whitton moved to approve the bookkeeper's report and payment of the bills. Director Cusack seconded the motion, which passed unanimously.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME

The Board reviewed an Annual Report containing updated financial and operating data to be filed in accordance with the continuing disclosure provisions contained in the bond resolutions. Mr. Thompson stated that the District is required to update certain financial and operating data and file same with the Municipal Securities Rulemaking Board through EMMA in compliance with SEC Rule 15c2-12. He added that the District's financial and operating data and the audit must be filed by March 31, 2023.

After review and discussion, Director Whitton moved to approve the Annual Report, subject to final review, and authorize ABHR to submit the District's Annual Report in compliance with the continuing disclosure provisions contained in the bond resolutions and direct that the Annual Report be filed appropriately and retained in the District's official records. Director Cusack seconded the motion, which passed unanimously.

ANNUAL REVIEW OF PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board reviewed the District's procedures for continuing disclosure compliance. Mr. Thompson stated that no changes are required at this time.

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 97%.

Ms. Reeves reported that for the month of January there was one excursion at the South Wastewater Treatment Plant ("WWTP") due to a broken clarifier and one excursion at the Central WWTP due to increased flow from the decanting of the digester basin. She stated that they were both reported to the Texas Commission on Environmental Quality ("TCEQ").

Ms. Reeves reviewed a summary of all of the District's abandoned accounts that have been turned over to a collection agency, a copy of which is attached. After discussion, the Board concurred to consider amending the District's Rate Order at the next regular meeting to establish procedures for collections.

After review and discussion, and based on the operator's recommendation, Director Duncan moved to accept the operator's report. Director Cusack 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 Duncan 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 Cusack seconded the motion, which passed unanimously.

APPROVE ANNUAL REPORT ON WATER CONSERVATION PLAN AND AUTHORIZE SUBMITTAL TO THE NORTH FORT BEND WATER AUTHORITY ("NFBWA")

Ms. Reeves stated that Inframark will complete the annual report on implementation of the Water Conservation Plan, which is required to be submitted to the NFBWA.

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After review and discussion, and based on the operator's recommendation, Director Whitton moved to approve the annual report on implementation of the Water Conservation Plan, subject to final review, and authorize submittal to the NFBWA. Director Duncan seconded the motion, which passed unanimously.

CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board conducted an annual review of the District's Drought Contingency Plan. Ms. Reeves reported that there are no recommended changes.

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 project. He requested the Board approve the plans and specifications and authorize advertisement for bids for the project.

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

After review and discussion, and based on the engineer's recommendation, Director Cusack moved to (1) accept the engineer's report; and (2) approve the plans and specifications and authorize advertisement for bids for the Claircrest Drive sanitary sewer line repair project. Director Duncan seconded the motion, which passed unanimously.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold the next internal meeting on April 4, 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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