

# DRAFT

MINUTES  
CINCO MUNICIPAL UTILITY DISTRICT NO. 1  
(Internal)

March 5, 2024

The Board of Directors (the “Board”) of Cinco Municipal Utility District No. 1 (the “District”) met in regular session, open to the public, on the 5<sup>th</sup> day of March, 2024, 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, thus constituting a quorum.

Also attending the meeting were Cara Sliva of Artesian Financial Services, LLC; John Taylor of Masuen Consulting, LLC; Dona Washington of Wheeler & Associates, Inc.; Larry Mueller of BGE, Inc. (“BGE”); 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 were no comments from the public.

## APPROVE MINUTES

The Board considered approving the minutes of the February 6, 2024, regular meeting. Ms. Ramirez reviewed a proposed revision requested by Director Whitton to pages 3 and 4 of the draft minutes. After review and discussion, Director Bauer moved to approve the minutes of February 6, 2024, regular meeting, revised as discussed. Director Cusack seconded the motion, which passed unanimously.

## 2024 DIRECTORS ELECTION

Mr. Thompson discussed procedures related to the 2024 Directors Election. The Board reviewed a Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors executed by the Board Secretary stating that the District received three candidate applications for the three director positions for the May 4, 2024, Directors Election. Following review and discussion, Director Cusack moved to accept the Certificate Declaring Unopposed Status of Candidates for Election to the Board of Directors. Director Duncan seconded the motion, which passed unanimously.

The Board reviewed an Order Cancelling Election and Declaring Unopposed Candidates Elected to Office stating that the May 4, 2024, Directors Election is cancelled and that the unopposed candidates, Mike Price, Dan Whitton, and Jim Cusack, are declared elected to office to serve from the May 4, 2024, election until the May 6, 2028, Directors Election. Following review and discussion, Director Cusack moved to adopt the Order Cancelling Election and Declaring Unopposed Candidates Elected to Office and direct that it be filed appropriately and retained in the District's official records. Director Duncan seconded the motion, which passed unanimously.

Mr. Thompson discussed that the Board had approved entering into a contract with Fort Bend County (the "County") to administer the District's 2024 Directors Election. After discussion, Director Cusack moved to cancel the contract with the County for election services for the May 2024 Directors Election. Director Duncan seconded the motion, which passed unanimously.

## TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Washington reviewed the tax assessor/collector's report, a copy of which is attached. She reported that the District's 2023 taxes were 95.06% collected as of February 29, 2024.

After review and discussion, and based on the tax assessor/collector's recommendation, Director Bauer moved to approve the tax assessor/collector's report and payment of the tax bills. Director Duncan 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, and based on the bookkeeper's recommendation, Director Cusack moved to approve the bookkeeper's report and payment of the bills. Director Duncan 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, 2024.

After review and discussion, Director Duncan 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 were two excursions at the South Wastewater Treatment Plant ("WWTP"), which were reported to the Texas Commission on Environmental Quality ("TCEQ"). She stated that there were no excursions at the Central WWTP.

Ms. Reeves updated the Board on the status of Jasper Well No. 1 and the Microfiltration Reverse Osmosis Plant. She stated that Inframark, BGE, and Corona Environmental Consulting will hold a meeting within the next week to discuss the next steps for introducing water from Jasper Well No. 1 into the District's distribution system.

# DRAFT

Ms. Reeves stated that Inframark has been storing 48 boxes of District records in an offsite storage facility for approximately eight years. She requested the Board authorize the relocation or destruction of the records, as deemed appropriate by the operator and ABHR. After discussion, the Board requested that Inframark and ABHR evaluate the District records and bring a disposition recommendation for the Board's review at the next regular meeting.

After review and discussion, and based on the operator's recommendation, Director Cusack moved to accept the operator's report. 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 presented a list of delinquent customers and 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. Following review and discussion, Director Cusack moved to authorize termination of delinquent accounts in accordance with the District's Rate Order. Director Bauer 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 construction of the Claircrest Drive sanitary sewer line repair project. He had no action items from Specialty Construction TX for the Board's approval.

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

## REVIEW WATER CONSERVATION PLAN; APPROVE ANNUAL REPORT AND WATER CONSERVATION IMPLEMENTATION REPORT; ADOPT ORDER ADOPTING AMENDED AND RESTATED WATER CONSERVATION PLAN

Mr. Thompson stated that the TCEQ rules require that the District review and adopt an Amended and Restated Water Conservation Plan prior to May 1, 2024. He stated that the District's Water Conservation Plan was distributed to the District's operator and engineer for comments and Inframark is preparing the required reports. The Board tabled further action on this agenda item.

# DRAFT

## REVIEW DROUGHT CONTINGENCY PLAN AND ADOPT ORDER ADOPTING AMENDED AND RESTATED DROUGHT CONTINGENCY PLAN

Mr. Thompson stated that the TCEQ rules require that the District review and adopt an Amended and Restated Drought Contingency Plan prior to May 1, 2024. The Board reviewed an Amended and Restated Drought Contingency Plan. After review and discussion, Director Bauer moved to adopt an Order Adopting Amended and Restated Drought Contingency Plan; Providing for Implementation and Enforcement Thereof; Providing Penalties for Violations; and Containing Other Provisions Related to the Subject and direct that the Order be filed appropriately and retained in the District's official records. Director Whitton seconded the motion, which passed unanimously.

## REVIEW EMERGENCY PREPAREDNESS PLAN ("EPP") AND AUTHORIZE FILING OF UPDATES, IF NECESSARY

Mr. Thompson discussed the District's EPP and requirements to file any updates with the TCEQ and other required entities. He stated that there are no updates to the District's EPP required at this time.

## MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold the next internal meeting on April 2, 2024 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.

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Secretary, Board of Directors

(SEAL)

# DRAFT

## LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax assessor/collector's report .....	2
Bookkeeper's report.....	2
Operator's report.....	3
Engineer's report.....	4