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## MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 1 (Internal)

May 2, 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 May 2, 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 Directors Duncan and Bauer, thus constituting a quorum.

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

### APPROVE MINUTES

The Board considered approving the minutes of the April 4, 2023, regular meeting. After review and discussion, Director Whitton moved to approve the minutes of April 4, 2023, regular meeting, as presented. Director Cusack 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 98.2% of the District's 2022 taxes have been collected as of April 30, 2023.

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

## TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") SUMMER CONFERENCE

The Board reviewed the Travel Reimbursement Guidelines in connection with the AWBD Summer Conference.

## 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 100%.

Ms. Reeves reported that for the month of March there was one excursion at the South Wastewater Treatment Plant ("WWTP"), which was reported to the Texas Commission on Environmental Quality ("TCEQ"). She stated that there were no excursions at the Central WWTP.

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

## CONSUMER CONFIDENCE REPORT

Ms. Reeves reviewed the District's proposed 2022 Consumer Confidence Report ("CCR"). She stated that the CCR must be distributed to District customers and filed with the TCEQ by July 1, 2023.

After review and discussion, Director Cusack moved to approve the CCR and authorize distribution of the CCR to District customers and filing of the certificate of delivery with the TCEQ. Director Whitton seconded the motion, which passed unanimously.

## AMEND DISTRICT RATE ORDER

The Board reviewed a proposed Amended Rate Order, which adds customer deposits, procedures for collection of delinquent accounts, and language for residential irrigation meters and usage billing.

After discussion, the Board tabled action on the Amended Rate Order.

## TAX ASSESSMENT AND COLLECTION MATTERS (CONT'D)

Ms. Andel reported that the District's 2023 preliminary assessed value is approximately \$243 million.

## ENGINEERING MATTERS

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

Mr. Mueller reported that the District received four bids for construction of the Claircrest Drive sanitary sewer line repair project. He recommended that the Board award the contract to the second lowest bidder, Specialty Construction TX ("Specialty"), in the amount of \$510,213.00. Mr. Mueller stated that the low bidder, ISJ Underground Utilities ("ISJ"), requested that their bid be withdrawn due to an error in their bid submission and BGE recommends the Board allow ISJ to withdraw their bid. After

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discussion, the Board concurred to allow ISJ to withdraw their bid, as recommended. The Board then concurred that, in its judgment, Specialty was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project.

Mr. Mueller stated that he will attend the Cinco Residential Property Association, Inc. ("HOA") meeting on May 10, 2023 to present the sanitary sewer easement for approval. Director Whitton requested the Board authorize him to attend the HOA meeting on behalf of the Board.

Mr. Mueller updated the Board on Master District matters. He stated that the bid opening for the effluent reuse facility at the Cinco Regional Wastewater Treatment Plant has been delayed by one week.

After review and discussion, and based on the engineer's recommendation, Director Whitton moved to (1) accept the engineer's report; (2) award the contract for construction of the Claircrest Drive sanitary sewer line repair project to Specialty in the amount of \$510,213.00, subject to receipt of payment and performance bonds and the certificate of insurance and endorsements, if any, provided by the contractor; and (3) authorize Director Whitton to attend the HOA meeting on behalf of the Board. Director Cusack 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 June 6, 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.

(SEAL)

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Secretary, Board of Directors

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