

MINUTES  
CINCO MUNICIPAL UTILITY DISTRICT NO. 1  
(Internal)

August 2, 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 August 2, 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:

Jim Cusack	Vice President
Sharon Bauer	Secretary
Kermit Palmer	Assistant Vice President
Mike Price	Assistant Secretary
Dan Whitton	Director

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

Also attending the meeting were Christine Crotwell of Masterson Advisors LLC; Lisa Rickert and Cara Sliva of Artesian Financial Services, LLC ("AFS"); Larry Mueller of BGE, Inc. ("BGE"); Rene Andel of Wheeler & Associates, Inc.; ElizaBeth Reeves and Dodie Erickson 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.

MINUTES

The Board considered approving the minutes of the July 13, 2022, regular meeting. After discussion, Director Palmer moved to approve the minutes of July 13, 2022, regular meeting, as presented. Director Price seconded the motion, which passed unanimously.

## DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

## DISCUSS 2022 TAX RATE, ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS OF 2022 TAX YEAR, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2022 tax year.

Ms. Crotwell reviewed the 2022 tax rate recommendation, a copy of which is attached, reflecting a recommended 2022 contract tax rate of \$0.13 and a debt service tax rate of \$.075 for debt service per \$100 of assessed valuation. The Board then discussed the maintenance and operations tax rate.

Following review and discussion, Director Palmer moved to (1) adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developed District for the 2022 tax year, pursuant to Section 49.23603, Texas Water Code, and providing that the District will follow the tax notice and calculation procedures provided by Section 49.23602(d), Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records; (2) set the public hearing date for September 6, 2022; and (3) authorize the tax assessor/collector to publish notice in the Houston Chronicle of the District's meeting to set the proposed 2022 tax rate of \$0.40977 per \$100 of assessed valuation. Director Price seconded the motion, which passed unanimously.

## TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Andel reviewed the tax assessor/collector's report for the month of July, a copy of which is attached. She reported that 100% of the District's 2021 taxes have been collected as of July 31, 2022.

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

## APPROVE DEPOSITORY AGREEMENT, SECURITY, AND RELATED DOCUMENTS WITH FROST BANK

The Board deferred discussion on this agenda item.

## RENEWAL OF DISTRICT'S INSURANCE POLICIES

The District deferred discussion on this agenda item, pending receipt of an insurance renewal proposal.

## BOOKKEEPER'S REPORT

Ms. Sliva reviewed the bookkeeper's report, a copy of which is attached, and presented the bills for payment. She also requested the Board approve check no. 5158 in the amount of \$2,122.38, payable to Director Cusack, for reimbursement of eligible expenses related to the Association of Water Board Directors summer conference.

After review and discussion, Director Palmer moved to approve the bookkeeper's report and payment of the bills, including check no. 5158, as detailed above. Director Bauer seconded the motion, which passed unanimously.

## BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2023

Ms. Sliva reviewed a draft budget for the fiscal year ending September 30, 2023, a copy of which is attached. After discussion, the Board took no action, pending further review by the Board and the consultants.

## REPORT REGARDING WATER CONSERVATION MATTERS

There was no discussion on this agenda item.

## 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 96%.

Ms. Reeves reported that there was one excursion at the South Wastewater Treatment Plant ("WWTP"), which was reported to the Texas Commission on Environmental Quality, and no excursions at the Central WWTP.

After review and discussion, and based on the operator's recommendation, Director Palmer moved to approve the operator's report. Director Bauer seconded the motion, which passed by a vote of 4-0 with Director Price temporarily absent from the meeting.

## 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 Bauer seconded the motion, which passed by a vote of 4-0 with Director Price temporarily absent from the meeting.

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.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold the next internal meeting on September 6, 2022 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)



  
Secretary, Board of Directors

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