

MINUTES
CINCO MUNICIPAL UTILITY DISTRICT NO. 1
(Internal)

August 1, 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 August 1, 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, thus constituting a quorum.

Also attending the meeting were Carl Jarvis of Champion Technology Services ("Champion"); Lisa Rickert and Cara Sliva of Artesian Financial Services, LLC ("AFS"); John Taylor and Chris Dunn 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, Jordan Fine, 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 July 17, 2023, regular meeting. After review and discussion, Director Bauer moved to approve the minutes of July 17, 2023, regular meeting, as presented. Director Duncan seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

DISCUSS 2023 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board deferred 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 100% of the District's 2022 taxes have been collected as of July 31, 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.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

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

FINANCIAL AND BOOKKEEPING MATTERS

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

Director Whitton requested that Inframark provide a breakdown of the expenses associated with sanitary sewer manhole surveys and/or repairs to AFS for reclassification to the correct budget line item.

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 Duncan seconded the motion, which passed unanimously.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2024

Ms. Sliva reviewed a draft budget for the fiscal year ending September 30, 2024, a copy of which is attached to the bookkeeper's report. After discussion, the Board took no action, pending further review by the Board and the consultants.

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 a customer who was terminated the previous month for nonpayment requested the removal of termination and pulled meter fees. She stated that the request was denied, pursuant to the District's Rate Order.

After review and discussion, and based on the operator's recommendation, Director Duncan 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 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 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 reported that a Notice to Proceed was issued for August 14, 2023. Mr. Mueller stated that there were no pay estimates 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 Bauer seconded the motion, which passed unanimously.

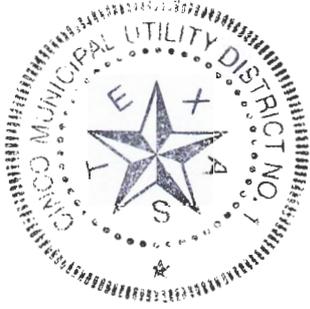
The Board discussed Master District matters. Director Cusack inquired about the cause of the communication dropouts between Jasper Well No. 1 and the Microfiltration Reverse Osmosis Plant. Mr. Jarvis stated that there is poor cellular service in that area, which could be causing the issues. The Board requested that Champion investigate the issue and provide options for improving communication for the Board's review at the next Master District meeting.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold the next internal meeting on September 5, 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)



Marion Bauer
Secretary, Board of Directors

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