

DRAFT

MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 1 (Internal)

October 3, 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 October 3, 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 Bauer and Duncan, thus constituting a quorum.

Also attending the meeting were Cara Sliva of Artesian Financial Services, LLC (“AFS”); John Taylor and Chris Dunn of Masuen Consulting, LLC; Larry Mueller of BGE, Inc. (“BGE”); Dona Washington 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 September 5, 2023, regular meeting. After review and discussion, Director Cusack moved to approve the minutes of September 5, 2023, regular meeting, as presented. Director Whitton seconded the motion, which passed unanimously.

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

DRAFT

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Thompson stated that the District's tax assessor/collector published a notice of today's public hearing to set the District's proposed 2023 total tax rate of \$0.38 per \$100 of assessed valuation, consistent with the financial advisor's recommendation and the Board's direction. Director Price opened the public hearing regarding the adoption of the District's 2023 tax rate. There being no members of the public in attendance who wished to address the Board, the public hearing was closed.

The Board reviewed the Order Levying Taxes and an Amendment to Information Form reflecting the proposed tax rate. Mr. Thompson stated that the Amendment to Information Form will be filed with the Texas Commission on Environmental Quality ("TCEQ") and recorded in the Official Public Records of Fort Bend County.

After review and discussion, Director Whitton moved to (1) adopt the Order Levying Taxes reflecting a total 2023 tax rate of \$0.38 per \$100 of assessed valuation, with \$0.095 allocated for contract tax, \$0.075 allocated for debt service, and \$0.21 allocated for operations and maintenance; (2) authorize execution of the Amendment to Information Form to reflect the 2023 tax rate; and (3) direct that such documents be filed appropriately and retained in the District's official records. Director Cusack 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.

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. She also requested approval of holding check no. 6089 to Best Trash, LLC.

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, including check no. 6089 as detailed above. Director Whitton seconded the motion,

which passed unanimously.

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 99%.

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

There were no accounts submitted for termination of water and sewer service.

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 the contractor, Specialty Construction TX ("Specialty"), began hydro-excavating around the existing dry and wet utility lines and determined that there is insufficient clearance to build the sanitary sewer manhole along Cinco Ranch Boulevard. Mr. Mueller stated that the existing 8" CenterPoint Energy gas line will need to be relocated in order to move forward. He stated that CenterPoint Energy estimated the cost to relocate the gas line would be approximately \$21,000.00 and it would take approximately 90-120 days. The Board concurred such relocation was necessary, and Mr. Mueller stated such cost would likely not exceed \$30,000.00. Mr. Mueller stated that Specialty is amenable to suspending the contract time until the gas line relocation is complete. He then reviewed and recommended approval of Change Order No. 1 to increase the contract in the amount of \$15,000.00, submitted by Specialty. He stated that the Change Order is for hydro-excavating and additional contract time. The Board determined that Change Order No. 1 is beneficial to the District.

Mr. Mueller discussed the new TCEQ rule revisions being implemented for the lead and copper rule compliance program, which will require a service line inventory. He requested the Board authorize BGE to work on compliance with the Lead and Copper Rule Revision inventory and database requirements in an amount not to exceed \$5,000.00.

DRAFT

After review and discussion, and based on the engineer's recommendation, Director Whitton moved to (1) accept the engineer's report; (2) approve payment in an amount not to exceed \$30,000.00 to CenterPoint Energy for the relocation of the existing 8" gas line; (3) approve Change Order No. 1 to increase the contract in the amount of \$15,000.00, submitted by Specialty, based on the Board's determination that the Change Order is beneficial to the District; and (4) authorize BGE to work on compliance with the Lead and Copper Rule Revision inventory and database requirements in an amount not to exceed \$5,000.00. 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 November 7, 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)

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.....	3