

MINUTES  
CINCO MUNICIPAL UTILITY DISTRICT NO. 1  
(Internal)

November 1, 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 November 1, 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:

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

and all of the above were present except Directors Price and Bauer, thus constituting a quorum.

Also attending the meeting were Lisa Rickert of Artesian Financial Services, LLC ("Artesian"); Mitch Walker of Masuen Consulting, LLC ("Masuen"); Larry Mueller of BGE, Inc. ("BGE"); Rene Andel of Wheeler & Associates, Inc.; ElizaBeth Reeves, Todd Burrer, Bruce Dubiel, and Russell Piper 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 October 4, 2022, regular meeting. After discussion, Director Palmer moved to approve the minutes of October 4, 2022, 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 3.2% of the District's 2022 taxes have been collected as of October 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 report and payment of the tax bills. Director Cusack seconded the motion, which passed unanimously.

## FINANCIAL AND BOOKKEEPING MATTERS

Ms. Rickert 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 Palmer moved to approve the bookkeeper's report and payment of the bills, as detailed above. Director Cusack seconded the motion, which passed unanimously.

Ms. Rickert requested the Board consider authorizing Artesian to move the District's accounts from Central Bank to NewFirst National Bank ("NewFirst"). She stated that Artesian has experienced service issues with Central Bank and there are benefits associated with NewFirst accounts, like payee Positive Pay. After discussion, the Board concurred to defer discussion on this matter until the next Master District meeting.

## ANNUAL REVIEW OF DISTRICT'S INVESTMENT POLICY

The Board reviewed the District's Investment Policy and concurred no changes were necessary at this time. After review and discussion, Director Cusack moved to adopt a Resolution Regarding Annual Review of Investment Policy and direct that the Resolution be filed appropriately and retained in the District's official records. Director Palmer seconded the motion, which passed unanimously.

## REVIEW, REVISE AND ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

The Board considered adopting a resolution that approves a list of authorized

depository institutions and a list of qualified broker/dealers with whom the District may engage in investment transactions. After review and discussion, Director Cusack moved to adopt the Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions and direct that the Resolution be filed appropriately and retained in the District's official records. Director Palmer seconded the motion, which passed unanimously.

#### REPORT REGARDING WATER CONSERVATION MATTERS

Mr. Walker 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 94%.

Ms. Reeves reported that there were no excursions at the South Wastewater Treatment Plant ("WWTP") or the Central WWTP.

Ms. Reeves discussed the Master District's billing method for the North Fort Bend Water Authority ("NFBWA") pumpage fees. She recommended that the District increase the pass through fee to 106.5% of the NFBWA fee charged to the District by the Master District. The Board then reviewed a proposed Amended Rate Order reflecting the proposed increase.

After review and discussion, and based on the operator's recommendation, Director Cusack moved to (1) accept the operator's report; and (2) adopted the Amended Rate Order, as recommended, and direct that the Amended Rate Order be filed appropriately and retained in the District's official records. Director Palmer 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 Palmer seconded the motion, which passed unanimously.

REVIEW AND AUTHORIZE FILING OF UPDATED EMERGENCY PREPAREDNESS PLAN ("EPP")

Mr. Mueller stated that he is working on updates to the District's EPP. After discussion, the Board concurred to defer action on this agenda item until the next regular meeting.

ENGINEERING MATTERS

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

Mr. Mueller stated that based on further evaluation of the options for the Claircrest Drive sanitary sewer line repair, BGE has determined that the existing line is unable to be repaired and the recommendation is to relocate and replace that segment of the line. He stated that BGE is still working on a cost estimate for the recommended work.

Mr. Mueller updated the Board on the status of the Jasper Well No. 1, including the transfer pump upgrade project.

Mr. Thompson reported that the District has received a preliminary request from AT&T to install a communications tower on Master District property. He stated that ABHR has requested additional information about the request prior to presenting it to the Board at the Master District meeting.

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

ADOPT RESOLUTION CHANGING POSTING PLACE

The Board reviewed a Resolution Changing Posting Place for Notice of Board of Director Meetings to update the address of the posting location of the notices of Board of Directors meetings to 2620 Commercial Center Blvd, Katy, TX 77494. After review and discussion, Director Palmer moved to adopt the Resolution Changing Posting Place for Notice of Board of Director Meetings to reflect the updated address 2620 Commercial Center Blvd, Katy, TX 77494 and direct that the Resolution be filed appropriately and retained in the District's official records. Director Cusack seconded the motion, which passed unanimously.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board discussed potentially changing the District's regular meeting.

There being no further business to come before the Board, the meeting was adjourned.

(SEAL)



*Marni Bauer*  
Secretary, Board of Directors

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