

MINUTES  
CINCO MUNICIPAL UTILITY DISTRICT NO. 1  
(Internal)

December 7, 2021

The Board of Directors (the “Board”) of Cinco Municipal Utility District No. 1 (the “District”) met in regular session, open to the public, on December 7, 2021, 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:

G. Tim Lawrence	President
Jim Cusack	Vice President
Sharon Bauer	Secretary
Kermit Palmer	Assistant Vice President
Mike Price	Assistant Secretary

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

Also attending the meeting were Tina Tran of F. Matuska, Inc.; Larry Mueller of BGE, Inc. (“BGE”); Rene Anandel of Wheeler & Associates, Inc.; Jeffrey Knight of Masuen Consulting, LLC; 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.

MINUTES

The Board considered approving the minutes of the November 2, 2021, regular meeting. After discussion, Director Palmer moved to approve the minutes of the November 2, 2021, regular meeting, as presented. Director Bauer seconded the motion, which passed unanimously

DISTRICT WEBSITE MATTERS

There was no discussion on this agenda item.

GARBAGE COLLECTION AND RECYCLING MATTERS, INCLUDING NOTICE OF ANNUAL CPI INCREASE

The Board reviewed a letter from Best Trash reflecting the annual Consumer Price Index (“CPI”) adjustment in the District’s monthly rate for garbage and recycling services, a copy of which is attached. Mr. Thompson stated that the CPI price adjustment will increase the District’s garbage and recycling rate to \$20.82 per month per residence, effective as of the November billing cycle.

TAX ASSESSOR/COLLECTOR’S REPORT

Ms. Andel reviewed the tax assessor/collector’s report, a copy of which is attached. She reported that 11.5% of the District’s 2021 taxes have been collected as of November 30, 2021.

After review and discussion, Director Bauer moved to approve the tax assessor/collector’s report and payment of the tax bills. Director Palmer seconded the motion, which passed unanimously.

BOOKKEEPER’S REPORT

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

After review and discussion, Director Palmer moved to approve the report and payment of the bills. Director Bauer seconded the motion, which passed unanimously.

TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

Mr. Thompson reminded the Board of the Travel Reimbursement Guidelines summarizing certain provisions of the District’s Code of Ethics in light of the upcoming Association of Water Board Directors winter conference.

ATTORNEY’S REPORT

REVIEW AND UPDATE EMINENT DOMAIN REPORT TO THE TEXAS COMPTROLLER

Mr. Thompson reported that ABHR will file the District’s Eminent Domain Authority Annual Report with the Comptroller of the State of Texas.

Mr. Thompson updated the Board on an ongoing case related to the use of eminent domain authority by a governmental entity against another governmental entity, *Hidalgo County Water Improvement District No. 3 v. Hidalgo*

*County Water Irrigation District No. 1.*

PROJECT BARKER UPDATE, INCLUDING APPROVAL OF INTERLOCAL AGREEMENT

Mr. Thompson reported on Willow Fork Drainage District's ("WFDD") Project Barker, including the Town Hall held on December 6, 2021. He stated that WFDD is seeking financial contributions to the project. Discussion ensued.

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

Ms. Reeves stated that Inframark received a report of an elevated manhole in a sidewalk along Terrace Arbor Lane. She stated that Inframark will dye test the manhole to check for infiltration and report back to the Board at the next regular meeting.

Ms. Reeves reviewed a Resolution Approving Electronic Payment Services for District Customers and related payment processing agreements with Pace and T-Tech.

The Board discuss the District's Rate Order. The Board concurred to have Inframark and ABHR review the District's Rate Order for any recommended changes for the Board's consideration.

After review and discussion, Director Palmer moved to (1) approve the operator's report; and (2) adopt the Resolution Approving Electronic Payment Services for District Customers and related processing agreements with Pace and T-Tech and direct that the Resolution and agreements be filed appropriately and retained in the District's official records. 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 Palmer moved to defer

termination of water and sewer service to delinquent accounts until the next regular meeting. Director Bauer seconded the motion, which passed unanimously.

REPORT REGARDING WATER CONSERVATION

Mr. Knight updated the Board on water conservation matters in the District. He reviewed a proposal in the amount of \$7,500.00 to conduct an irrigation inspection, a copy of which is attached.

After review and discussion, Director Palmer moved to (1) approve the conservation report; and (2) approve the proposal in the amount of \$7,500.00 for an irrigation inspection. Director Cusack seconded the motion, which passed by unanimous vote.

APPROVE EMERGENCY RESPONSE PLAN AND FILING OF CERTIFICATION OF SAME WITH THE ENVIRONMENTAL PROTECTION AGENCY (“EPA”)

Mr. Mueller reviewed the Emergency Response Plan, which must be certified as filed with the EPA within six months of certification of the Risk and Resilience Assessment. After review and discussion, Director Bauer moved to approve the Emergency Response Plan, subject to final review, and authorize submittal of the certification of completion to the EPA. Director Palmer seconded the motion, which passed by unanimous vote.

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.

Mr. Mueller updated the Board on the installation of a 12” bypass line to connect the potable water system to the Reverse Osmosis Plant (“RO Plant”). He stated that the bypass line has been installed but there are difficulties with connecting the line to the water well. Discuss ensued regarding necessary modifications to complete the connection. After review and discussion, Director Cusack moved to authorize an amount not to exceed \$70,000 for additional modifications to the potable water system connection to the RO Plant, subject to Director Cusack’s final approval. Director Bauer seconded the motion, which passed unanimously.

Mr. Mueller discussed the status of Jasper Well No. 1 and recommended the Board consider authorizing the installation of a basket strainer upstream of the transfer pumps to catch calcium carbonate debris from pumps at Jasper Well No. 1. He stated BGE will provide a final cost estimate for the Board’s consideration at the next regular meeting.

Mr. Mueller stated that BGE provided the recommended electrical breaker size to Inframark for Water Well No. 6.

Mr. Mueller reported that the application for the Chapter 210 authorization for the Phase 2 facilities was submitted to the Texas Commission on Environmental Quality.

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

BARKER RESERVOIR MATTERS, INCLUDING POTENTIAL PROJECTS AND LITIGATION

There was no discussion on this agenda item.

MEETING SCHEDULE AND ITEMS FOR INCLUSION ON THE NEXT AGENDA

The Board concurred to hold the next internal meeting on January 4, 2022, at the offices of ABHR.

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

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Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

	Minutes <u>Page</u>
CPI letter from Best Trash, LLC .....	2
Tax assessor/collector's report .....	2
Bookkeeper's report .....	2
Operator's report.....	3
Masuen proposal.....	4
Engineer's report.....	4