

MINUTES OF REGULAR MEETING
CINCO MUNICIPAL UTILITY DISTRICT NO. 8
FORT BEND COUNTY, TEXAS

26 March 2019

THE STATE OF TEXAS §
COUNTY OF FORT BEND §

The Board of Directors (the "Board") of Cinco Municipal Utility District No. 8 (the "District") of Fort Bend County, Texas, met in regular session, open to the public, on the 26th day of March, 2019, at the offices of Coats Rose, P.C., 9 Greenway Plaza, Suite 1000, Houston, Texas 77046, outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to-wit:

Douglas Brewer	President
Daniel P. Coyer	Vice President
Mark Baird	Secretary/Treasurer/Investment Officer
Steven C. Haas	Assistant Secretary
Dano Lozano	Assistant Vice President and Assistant Secretary

and all of said persons were present, except Director Coyer, thus constituting a quorum.

Also present were Rose Montalbano of F. Matuska, Inc., the District's Bookkeeper; Katie May and Clay Brandenburg of Inframark LLC ("Inframark"), the District's Operator; Avik Bonnerjee of B&A Municipal Tax Services, LLC ("B&A"), the District's Tax Assessor/Collector; Mike Scott of Champions Hydro-Lawn, Inc., the District's detention pond maintenance contractor; Judy Brewer, a resident of the District; and Dick Yale, Cole Konopka, and Renae Ely, representing Coats Rose, P.C. ("Coats Rose"), the District's Attorney.

First, Director Lozano called the meeting to order, and he noted that there were no District residents in attendance who wished to address the Board during the time for public comment.

Next, the Board considered approval of the minutes of the meeting of 26 February 2019. After review, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 26 February 2019 as written.

Then Mr. Bonnerjee distributed and reviewed the Tax Assessor/Collector's Report, a copy of which is attached hereto as an exhibit to these minutes. He noted that the ending balance in the District's Tax Account was \$92,413.04. He reported that 95.38% of the District's 2018 tax levy and 99.67% of the District's 2017 tax levy had been collected as of 28 February 2019. Mr. Bonnerjee asked for the Board's approval of six checks written on the District's Tax Account, including a transfer of \$7,550.15 in revenues from

the tax for maintenance and operations to the District's Operating Fund and a \$3,053.74 transfer of contract tax collections to the District's Contract Tax Debt Service Fund. He also reviewed the Pledged Securities Report. He stated that the District's Tax Account was secured by pledged mortgage-backed securities that would be released by the end of March 2019 after most of the 2018 property tax payments were received from property owners in the District and transferred to the District's Debt Service Accounts or Operating Account. A copy of the Pledged Securities Report is included in the Tax Assessor/Collector's Report.

Mr. Bonnerjee then reviewed with the Board a list of accounts that B&A was tracking with installment plans requested pursuant to the Texas Tax Code regarding the payment of ad valorem taxes on a residence homestead (House Bill 1597 passed during the 83rd Texas Legislature-Regular Session 2013). A copy of the list of accounts is included in the Tax Assessor/Collector's Report.

Finalizing the report, Mr. Bonnerjee reviewed the Delinquent Tax Roll of accounts delinquent in the payment of taxes, penalties, and interest due to the District for 2018 and prior years. A copy of the Delinquent Tax Roll is attached hereto as an exhibit to these minutes. After discussion, upon a motion made and duly seconded, the Board voted unanimously to accept the Tax Assessor/Collector's Report and to authorize disbursement of the sums from the District's Tax Account as listed therein.

Next, Ms. Montalbano submitted the Bookkeeper's Report and the Quarterly Investment Report for the Board's consideration. She listed the balances and summarized the activity in each of the District's accounts. Ms. Montalbano called the Board's attention to the bills to the District and the checks prepared in payment thereof. She stated that no W.I.S.E. (Water Irrigation System Evaluation) Guys irrigation evaluations were performed in the District during the month of February 2019. She then reviewed with the Board the actual versus budgeted amounts listed on the Statement of Revenues and Expenditures for the fiscal year to date.

The Board then completed the review of the District's bills and the checks prepared in payment thereof. Upon a motion duly made and seconded, the Board voted unanimously to accept the Bookkeeper's Report as presented and to authorize payment of the bills of the District. A copy of the Bookkeeper's Report, including the Quarterly Investment Report, is attached hereto as an exhibit to these minutes.

Next, Mr. Konopka presented for the Board's review an electronic mail communication from the U.S. Army Corps of Engineers (the "Corps") Houston Project Office Manager, Chuck Ciliske, CPT, EN, dated 19 March 2019, a copy of which is attached as an exhibit to these minutes. Mr. Konopka explained that Mr. Ciliske reported a significant reduction of unauthorized traffic on the property located in the Barker Reservoir adjacent to Canyon Gate Section 3 in the District. He said that traffic barriers had been repaired and that the Texas Parks and Wildlife Department had increased patrols in the area. Mr. Konopka said that Coats Rose would continue to communicate with Mr. Ciliske regarding activity on the property.

Mr. Konopka then reminded those present that the District had been added as a plaintiff in the litigation styled In re: Upstream Addicks and Barker (Texas) Flood-Control Reservoirs Litigation (the "Hurricane Harvey Litigation"). He noted that under the Attorney and Contingent Fee Contract between the District and the Houston law firm of Vujasinovic & Beckcom PLLC ("Vujasinovic & Beckcom"), the District's consultants provided the categories of documents requested to Vujasinovic & Beckcom. Mr. Konopka also reminded those present that the Hurricane Harvey Litigation was set for trial on 6 May 2019.

A discussion then ensued regarding the District's Request for Public Assistance ("RPA") that was filed with the Federal Emergency Management Agency ("FEMA") for reimbursement of the District's costs incurred in response to Hurricane Harvey that were not covered by the District's insurance policies. Ms. May presented for the Board's review an updated summary of projects in connection with the Hurricane Harvey FEMA reimbursement, a copy of which is attached as an exhibit to these minutes. Ms. May also discussed the invoices related to the amounts billed to the District under the Disaster Recovery Services Agreement dated 26 September 2017 for the removal of all Hurricane Harvey related debris in the District by Waste Corporation of Texas, L.P. ("WCA"). Ms. May reported that after Inframark provided the requested information to FEMA regarding documentation for amounts billed to the District by WCA for debris removal, FEMA representatives subsequently requested that the supporting documentation contain a reference to "storm debris removal" instead of "trash," as listed on the invoices by WCA. Mr. Konopka said that Coats Rose and Inframark would continue to coordinate with WCA regarding revising the previously submitted invoices. Ms. May also reported on Project No. 34705 (Storm Sewer Cleaning) totaling \$155,812.60. She said that additional information had been requested by FEMA, but the project was expected to be eligible for 90% reimbursement from FEMA under the RPA filed on behalf of the District.

Then the Board briefly reviewed the Security Report for February 2019 from the Fort Bend County Precinct 3 Constable's Office (the "Constable's Office"). A copy of the Security Report is attached hereto as an exhibit to these minutes. Ms. Ely also presented a report on the traffic on the District's website, a copy of which is attached hereto as an exhibit to these minutes.

Next, Mr. Scott submitted the Detention and Drainage Facilities Report (the "Detention Report") for the Board's review, a copy of which is attached hereto as an exhibit to these minutes. He reviewed the Detention Report in detail with the Board and pointed out various photographs of interest.

The Board then discussed the District's solid waste contract with Best Trash, LLC ("Best Trash") expiring on 1 September 2019. After discussion, Director Brewer suggested that the Board consider reviewing a proposal for providing the District's solid waste collections services from Best Trash in April or May 2019.

Then Ms. Ely briefly reviewed the memorandum dated 27 February 2019 from Coats Rose regarding the actions of the North Fort Bend Water Authority ("NFBWA"), a copy of which is attached as an exhibit to the minutes. Ms. Ely also reminded the Board that an award for the 2018 Larry's Toolbox Program for outstanding performance in the water conservation program would be presented to the Board at the 27 March 2019 NFBWA Board of Directors meeting.

Mr. Konopka then presented for the Board's review a draft revised Resolution Regarding Expenses to be Reimbursed by the District. He suggested that the Board review the same for consideration at the 23 April 2019 meeting.

Then Ms. May presented the Operator's Report for February 2019, a copy of which is attached hereto as an exhibit to these minutes. Ms. May detailed various repairs and maintenance activities performed in the District during January 2019, including lift station, water line, sewer facility, and detention pond maintenance. She reported that Cinco Municipal Utility District No. 1's service area water accountability (ratio of billed-to-pumped water) was 100%. Continuing her report, Ms. May reviewed with the Board the Delinquent List of accounts delinquent in the payment of invoices from the District for water and sanitary sewer services and the Collection Accounts Listing, copies of which are included with the Operator's Report. She assured the Board that the customers on the list had been provided with all of the notifications required pursuant to the District's Consolidated Rate Order. The Board noted that there were no customers of the District present to protest their billings.

Mr. Brandenburg then reported on the status of the inoperable used Cummins brand generator that had previously been located at the Canyon Gate Sanitary Sewer Lift Station. Mr. Brandenburg reminded those present that the generator had been flooded as a result of Hurricane Harvey. He said that the used generator was currently located at a repair shop and that Inframark had received an offer of \$500.00 for the purchase of the remaining generator engine and power source. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize a Coats Rose to prepare a Release and Indemnity Agreement between the District and the purchaser for the Board's consideration at the 23 April 2019 Board of Directors meeting.

Ms. May then explained that she, Mr. Brandenburg, and Director Coyer recently conducted a survey of the District's meter boxes and storm inlets. Ms. May said that Inframark would present a written report for the Board's review and consideration at the 23 April 2019 Board of Directors meeting. After further review and discussion, upon a motion duly made and seconded, the Board voted unanimously to: (1) accept the Operations Report; (2) authorize termination of the accounts that remain unpaid on the deadline date; and (3) instruct Inframark to prepare a report on the Inframark survey of the District and required repairs.

Then Director Brewer suggested that the customer service guidelines for Inframark be updated to offer a one-time adjustment to customers of the District due to high water usage that occurred because of a water leak. He said that if the District adjusted bills

after a leak based on a twelve-month average, the customer is not penalized because of the leak. He proposed that the customer be required to submit proof of the repair. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize a one-time adjustment of customer bills based on average water usage in the previous twelve months in the event of a water leak where the customer can demonstrate that repairs have been affected.

Lastly, Mr. Konopka recommended that the Board consider issuing certain credits or rebates totaling \$200 to the residents of Canterbury Park in the District for damages associated with Hurricane Harvey. He said that incremental credits could be applied to the residents' water and sewer service bills for a period of time. Ms. Montalbano commented that she would include an item for consideration in the District's draft Operating Budget for the fiscal year ending 31 May 2020 that will be reviewed at the 23 April 2019 Board of Directors meeting.

There being no further business to come before the Board, upon a motion duly made and seconded, the Board voted unanimously to adjourn.

Secretary, Board of Directors

(SEAL)



Cinco Municipal Utility District No. 8
Regular Meeting of 26 March 2019
Attachments

1. Tax Assessor/Collector's Report
2. Delinquent Tax Roll
3. Bookkeeper's Report and Quarterly Investment Report
4. Electronic mail communication from the U.S. Army Corps of Engineers Houston Project Office Manager, Chuck Ciliske, CPT, EN, dated 19 March 2019
5. Summary of Hurricane Harvey Projects prepared by Inframark LLC
6. Security Report from Fort Bend County Precinct 3 Constable's Office
7. Off Cinco's Website Traffic Report
8. Detention and Drainage Facilities Report
9. Memorandum from Coats Rose, P.C. regarding the North Fort Bend Water Authority Board of Directors meeting
10. Operator's Report