

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

25 June 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 25th day of June, 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, with the exception of Director Baird, thus constituting a quorum.

Also present were Rose Montalbano of F. Matuska, Inc., the District's Bookkeeper; Clay Brandenburg and Sabrina Alaquez-Wallin 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. ("Champions"), the District's detention pond maintenance contractor; Scott Stevenson of Great Lakes Recycling, Inc. d/b/a Simple Recycling ("Simple Recycling"); Dick Yale, Cole Konopka, and Renae Ely, representing Coats Rose, P.C. ("Coats Rose"), the District's Attorney.

First, Director Brewer 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.

Then Mr. Stevenson introduced himself and outlined the benefits of textile recycling in the community. A copy of Mr. Stevenson's presentation is attached as an exhibit to these minutes. Mr. Stevenson answered the Board's questions, including information about Simple Recycling's business experience with municipal utility districts. After review, upon a motion duly made and seconded, the Board voted unanimously to approve the contract with Simple Recycling subject to review by Coats Rose.

Next, the Board considered approval of the minutes of the meeting of 28 May 2019. After review, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 28 May 2019 as written.

Then Mr. Bonnerjee reported on the Petition Challenging Appraisal Records filed with the Fort Bend Central Appraisal District (the "Appraisal District") on behalf of the District for the District's 2019 preliminary estimate of value as determined by the Appraisal District. He explained that a formal hearing before the Appraisal District had not been scheduled to date, but that he would update the Board on any decision by the Appraisal District regarding lowering the District's 2019 preliminary estimate of value. Directors Lozano and Haas noted that they recently protested the assessed value placed on their property for 2019 and the Appraisal District did not lower their values.

Next, 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 \$103,395.28. He reported that 97.52% of the District's 2018 tax levy and 99.74% of the District's 2017 tax levy had been collected as of 31 May 2019. Mr. Bonnerjee asked for the Board's approval of seven checks written on the District's Tax Account, including a transfer of \$6,844.82 in revenues from the tax for maintenance and operations to the District's Operating Fund and a \$2,647.83 transfer of contract tax collections to the District's Contract Tax Debt Service Fund.

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 included in the Tax Assessor/Collector's Report. 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 one W.I.S.E. (Water Irrigation System Evaluation) Guys irrigation evaluation was performed in the District during the month of May 2019. She then reviewed with the Board the actual versus budgeted amounts listed on the Statement of Revenues and Expenditures for the eleven months ended 30 April 2019.

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.

Then Mr. Konopka provided an update on the status of the litigation styled In re: Upstream Addicks and Barker (Texas) Flood-Control Reservoirs Litigation (the "Hurricane Harvey Litigation"), a copy of which is attached as an exhibit to these minutes. He reminded the Board that the District was a plaintiff in the Hurricane Harvey Litigation being represented by the Houston law firm of Vujasinovic & Beckcom PLLC. He said that a hearing was scheduled for 13 September 2019 to be held in Washington, D.C. regarding the up-stream test case trial. Director Brewer added that it was his understanding that a ruling by the judge was expected in September 2019. Mr. Konopka said that Coats Rose would continue to monitor the progress of the litigation.

A discussion then ensued regarding the District's Request for Public Assistance 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. Alaquez-Wallin provided a brief update of the projects in connection with the Hurricane Harvey FEMA reimbursement.

Then the Board briefly reviewed the Security Report for May 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. Director Brewer recalled that Deputy Compean had been involved in a traffic accident and was still on leave from the Constable's Office.

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. Mr. Scott noted that Champions continues to monitor the active construction by Morrow Construction, Inc. ("Morrow") occurring adjacent to the District near the Pappa Blakely Pond, which he believes may be a multi-family development being served by Fort Bend County Municipal Utility District No. 51. He pointed out photographs in his report where it appeared that Morrow had been pumping water into the District's Pappa Blakely Pond. Mr. Konopka asked Mr. Scott to determine the cost of pumping out the excess water. Mr. Scott said that pumping activity by Morrow had ceased and that he expected the water would drain naturally and not require pumping activity on behalf of the District.

Then Ms. Ely briefly reviewed the memorandum dated 22 May 2019 from Coats Rose regarding the actions of the North Fort Bend Water Authority, a copy of which is attached as an exhibit to the minutes.

Next, Mr. Brandenburg presented the Operator's Report for May 2019, a copy of which is attached hereto as an exhibit to these minutes. Mr. Brandenburg detailed various repairs and maintenance activities performed in the District during May 2019, including lift station, water line, sewer facilities, and detention pond maintenance. He reported that Cinco Municipal Utility District No. 1's service area water accountability (ratio of billed-to-pumped water) was 98% for May 2019.

Mr. Brandenburg then 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. He 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. After further review and discussion, upon a motion duly made and seconded, the Board voted unanimously to: (1) accept the Operator's Report and (2) authorize termination of the accounts that remain unpaid on the deadline date.

Then Mr. Brandenburg pointed out that a sewer line repair was recently performed at 6203 Canyon Rock Way in the District. He said that after repairs were performed to the sewer line, it was noted that the apron portion of the driveway appeared to have subsided slightly. He then presented for the Board's review and approval a proposal from Edustrial Solutions in the amount of \$5,600.00 for driveway repairs, including rebar and concrete installation, a copy of which is attached hereto as an exhibit to these minutes. Upon a motion duly made and seconded, the Board voted unanimously to approve the proposal from Edustrial Solutions in the amount of \$5,600.00 for the driveway repairs.

Mr. Brandenburg then reported that a recent theft of copper had occurred at the District's Canyon Gate Lift Station. He presented for the Board's review and approval a proposal in the amount of \$1,250.00 for installation of a mounted security light with motion sensor to be installed at the Lift Station site, a copy of which is attached hereto as an exhibit to these minutes. Upon a motion duly made and seconded, the Board voted unanimously to approve the proposal from Inframark in the amount of \$1,250.00 for the installation of mounted security lighting.

Lastly, Mr. Konopka reviewed a memorandum from Coats Rose summarizing legislation from the 86th Texas Legislature, Regular Session, a copy of which is attached to these minutes. He informed the Board that in a district with 500 or more residents, if a resident makes a written request to the district at least three days before the public hearing to adopt the tax rate, the district shall "make an audio recording of reasonable quality of the hearing" and provide it to the requestor not later than the fifth day after the hearing.

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 25 June 2019
Attachments

1. Simple Recycling Brochure/Presentation Materials
2. Tax Assessor/Collector's Report, Payment Plan Summary, Delinquent Tax Roll
3. Bookkeeper's Report and Quarterly Investment Report
4. Hurricane Harvey Update from Vujasinovic & Beckcom PLLC dated 18 May 2019
5. Security Report from Fort Bend County Precinct 3 Constable's Office
6. Off Cinco's Website Traffic Report
7. Detention and Drainage Facilities Report
8. Memorandum by Coats Rose regarding the North Fort Bend Water Authority 22 May 2019 Regular Board of Directors meeting
9. Operator's Report
10. Proposal for driveway/concrete repairs in the amount of \$5,600.00 from Edustrial Solutions
11. Proposal for installation of mounted security lighting in the amount of \$1,250.00
12. Legislative Memorandum (86th Texas Legislature, Regular Session – 2019) prepared by Coats Rose, P.C.