

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

23 July 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 23rd day of July, 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 Directors Baird and Lozano, thus constituting a quorum.

Also present were Rose Montalbano of F. Matuska, Inc., the District's Bookkeeper; Katie May and Sabrina Alaquinez-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; Jack Carter, P.E. of Dannenbaum Engineering Corporation, the District's Engineer; 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.

Next, the Board considered approval of the minutes of the meeting of 25 June 2019. After review, upon a motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of 25 June 2019 as written.

Then Mr. Bonnerjee reported on the Petition Challenging Appraisal Records (the "Petition") 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 at a formal hearing before the Appraisal District, the District's Petition to lower its 2019 preliminary estimate of value was denied.

Mr. Bonnerjee then presented for the Board's review a copy of Section 23.33 (Limitation on Appraised Value of Residence Homestead) from the Texas Property Tax Code (the "Tax Code"), a copy of which is attached as an exhibit to these minutes. He explained that according to Section 23.33 of the Tax Code, an appraisal office may increase the appraised value of a residence homestead for a tax year to an amount not to exceed the market value of the property for the most recent tax year. He added that under Section 23.23 (a)(f)(1) of the Tax Code, in the tax year in which a structure would have constituted a new improvement, the appraised value a property would have had in the preceding tax year if the damage had not occurred is considered to be the appraised value of the property for that year. Mr. Bonnerjee commented that homes in the District that were not damaged or homes that were subsequently repaired following the damages caused by Hurricane Harvey would have a 10% increase in value assessed by the Appraisal District for the years 2018 and 2019.

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 \$109,580.91. He reported that 98.38% of the District's 2018 tax levy and 99.83% of the District's 2017 tax levy had been collected as of 30 June 2019. Mr. Bonnerjee asked for the Board's approval of seven checks written on the District's Tax Account, including a transfer of \$7,257.42 in revenues from the tax for maintenance and operations to the District's Operating Fund and a \$3,239.06 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.

Then 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.

Finalizing the report, Mr. Bonnerjee said that he planned to present for the Board's consideration at the August meeting a Wells Fargo Account Reconciliation Positive Pay (the "Positive Pay") agreement. He explained that the Wells Fargo Financial Services Company ("Wells Fargo") Positive Pay program can reduce a customer's exposure to unauthorized checks, counterfeit checks, or checks with alterations.

Next, Ms. Montalbano submitted the Bookkeeper's 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 June 2019. She then reviewed with the Board the actual versus budgeted amounts listed on the Statement of Revenues and Expenditures for the twelve 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 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"). 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 and 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. May then 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. She noted that the District recently received a payment of \$138,600 from FEMA for the District's Storm Sewer Cleaning Project (Project No. 34705).

Then the Board briefly reviewed the Security Report for June 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. Mr. Scott noted that Champions continues to monitor the active construction by Morrow Construction, Inc. 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.

Then Mr. Konopka recalled that at the June meeting, the Board voted unanimously to approve an agreement with Simple Recycling, a textile recycling company, subject to review by Coats Rose. Mr. Konopka explained that a draft agreement was provided by Simple Recycling to Coats Rose which required an initial four year contract term between

Simple Recycling and the District. Mr. Konopka said that he communicated to Scott Stevenson, the Simple Recycling representative, the Board's desire not to enter into a contract for the proposed four-year term. After discussion, upon a motion duly made and seconded, the Board voted unanimously to reject the contract with Simple Recycling as presented.

Director Brewer then presented for the Board's consideration a proposal from American Wall Systems in the amount of \$18,700 for replacement of 183 linear feet of fencing at the District's Canyon Gate Lift Station. A copy of the proposal is attached as an exhibit to these minutes. After review, upon a motion duly made and seconded, the Board voted unanimously to accept the proposal from American Wall Systems and authorize Director Brewer to sign the proposal on behalf of the District as presented.

Then Ms. Ely briefly reviewed the memorandum dated 26 June 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, Director Brewer said that he would like for the Board to consider at the August meeting construction of a sidewalk to be completed along F.M. 1093 at Mason Road located near the Chevron gasoline station. He said discussions have begun with the Cinco Land Management Office regarding the same.

Director Brewer then suggested that in order to obtain additional points under the North Fort Bend Water Authority's Larry's Toolbox program, the Board consider the purchase of five (5) rain barrels to award to residents of the District. Ms. May suggested that an entry for the rain barrel giveaway be submitted for each W.I.S.E. (Water Irrigation System Evaluation) Guys irrigation evaluation performed by a resident. Director Brewer commented that three barrels could be allotted for Canyon Gate and one barrel each for the Canterbury Park and Southpark subdivisions. After discussion, the Board decided to defer action on the purchase of the rain barrels until the August meeting.

Next, Director Coyer agreed to attend the Association of Water Board Directors 2019 Summer Directors' Workshop to be held in Houston, Texas, on 23 August 2019.

The Board then discussed the District's compliance with the Phase II Municipal Separate Storm Sewer System (MS4) General Permit and Storm Water Management Program with the Cinco Ranch area municipal utility districts and the Willow Fork Drainage District (the "Drainage District"). Mr. Carter reminded the Board that the District was required to submit the TPDES Phase II MS4 Annual Report (the "Annual Report") to the Texas Commission on Environmental Quality (the "Commission") by 19 July 2019. He stated that AECOM Technical Services, Inc. ("AECOM"), the engineers for the Drainage District, had prepared and would submit the Annual Report prior to the deadline date subsequent to the Board's authorization and approval of the Annual Report. After discussion, upon a motion duly made and seconded, the Board voted unanimously to authorize AECOM to submit the Annual Report to the Commission as required. A copy

of the Annual Report thus submitted to the Commission is located in the District's permanent files.

Next, Ms. Alaquez-Wallin presented the Operator's Report for June 2019, a copy of which is attached hereto as an exhibit to these minutes. Ms. Alaquez-Wallin detailed various repairs and maintenance activities performed in the District during June 2019, including lift station, water line, sewer facilities, 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 97% for June 2019.

After further review and discussion, upon a motion duly made and seconded, the Board voted unanimously to accept the Operator's Report.

Ms. Alaquez-Wallin then reminded those present that because of a recent theft of copper at the District's Canyon Gate Lift Station, the Board authorized installation of a mounted security light with motion sensor to be installed at the Lift Station site. Ms. Alaquez-Wallin reported that the mounted security light had been installed and was functioning properly.

Lastly, Mr. Konopka submitted to and reviewed with the Board a memorandum prepared by the District's Attorney that summarizes certain bills approved by the 86th Texas Legislature – Regular Session (2019) regarding certain information that will be required to be posted on water district websites. A copy of the memorandum is attached to and shall be considered to be part of these minutes.

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 23 July 2019
Attachments

1. Section 23.33 (Limitation on Appraised Value of Residence Homestead) from the Texas Property Tax Code
2. Tax Assessor/Collector's Report, Payment Plan Summary, Delinquent Tax Roll
3. Bookkeeper's Report
4. Summary of Hurricane Harvey Projects prepared by Inframark LLC
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. American Wall Systems proposal in the amount of \$18,700 for replacement of fencing at the District's Lift Station
9. Memorandum by Coats Rose regarding the North Fort Bend Water Authority 26 June 2019 Regular Board of Directors meeting
10. Operator's Report
11. Legislative Memorandum (86th Texas Legislature, Regular Session – 2019) prepared by Coats Rose, P.C.