

MINUTES
CINCO MUNICIPAL UTILITY DISTRICT NO. 14

July 27, 2022

The Board of Directors of Cinco Municipal Utility District No. 14 met in regular session, open to the public, on the 27th day of July 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:

James Reuss	President
Patrick McDonald	Vice President
Patrick Carlson	Secretary
Leroy Mensik	Assistant Secretary
Josephine Traylor	Assistant Vice President/ Assistant Secretary

and all of the above were present except Director Mensik, thus constituting a quorum.

Also attending in person were Kevin Atkinson of Texas Pride Disposal; Larry Mueller of BGE, Inc. ("BGE"); Rene Anandel of Wheeler and Associates, Inc. ("Wheeler"); Stephanie Viator and Angela Airies of District Data Services, Inc. ("DDS"); Robert Lugo of Inframark, LLC ("Inframark"); and Heather Trachtenberg, Jane Miller, and Kathryn Blanton of Allen Boone Humphries Robinson LLP ("ABHR").

Attending via teleconference during executive session only was Conner Best of Munsch Hardt Kopf & Harr, P.C.

PUBLIC COMMENTS

There were no comments from the public.

APPROVE MINUTES

The Board considered approving the minutes of the June 22, 2022, regular meeting, submitted in advance. After review and discussion, Director McDonald moved to approve the minutes, as submitted. Director Traylor seconded the motion, and the motion passed unanimously.

GARBAGE AND RECYCLING MATTERS

Ms. Trachtenberg discussed correspondence from District customers received through the District's website contact portal regarding trash and recycling collection service.

Mr. Atkinson discussed staffing and route coverage issues during summer vacation months and for COVID absences. Discussion ensued regarding recently missed

collections and efforts to correct/recover service. Mr. Atkinson said additional drivers have been hired to cover absences going forward. Additional discussion ensued regarding routes and schedules and concentration of complaints in certain areas of the District. Mr. Atkinson offered to issue credits for any service missed and not recovered and to defer discussion regarding proposed cost increases until October 2022.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Airies reviewed the bookkeeper’s report, including the bills for payment, a copy of which is attached. Discussion ensued regarding projections and potential amendments to the budget for the fiscal year ending September 30, 2023. Following review and discussion, Director Traylor moved to approve the bookkeeper’s report and payment of the bills. Director Carlson seconded the motion, and the motion passed unanimously.

The Board took no action on the proposed budget for September 30, 2023.

DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS (“AWBD”) SUMMER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT WINTER CONFERENCE/TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES

The Board discussed the AWBD summer conference and considered authorizing attendance at the winter conference. Following review and discussion, Director Traylor moved to (1) approve reimbursement of all eligible expenses for Directors who attended the summer conference, which the District’s bookkeeper confirmed are in compliance with the District’s Travel Reimbursement Guidelines; and (2) authorize attendance of any interested Directors at the winter conference. Director Reuss seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Andel presented the tax assessor/collector’s report for the month of June and the delinquent tax roll, copies of which are attached. She stated that 99.06% of the 2021 taxes were collected by the end of June.

Ms. Trachtenberg discussed the “truth-in-taxation” property tax calculations and tax levy process for water districts and stated that Chapter 49 of the Texas Water Code establishes three main categories for water districts, based on a district’s development status and/or tax rate. She reviewed the definitions for each of the three categories and said the Board must annually determine the District’s category for that tax year and follow the associated notice and levy provisions in the Texas Water Code.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2022 tax year.

The Board discussed a proposed Depository Pledge Agreement with Frost Bank.

After review and discussion, Director Traylor moved to (1) approve the tax assessor/collector's report and payment of the checks drawn on the tax account; (2) adopt a Resolution Regarding Development Status for 2022 Tax Year establishing the District as a Developed district for the 2022 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records; and (3) approve a Depository Pledge Agreement with Frost Bank subject to finalization. Director Carlson seconded the motion, and the motion passed unanimously.

ENGINEERING MATTERS

Mr. Mueller reviewed an engineering report, a copy of which is attached. After review and discussion, Director Carlson moved to approve the engineer's report, subject to correction of the description for service provided/work completed for check no. 5490, payable to Hahn Equipment, in the bookkeeping report, as discussed. Director McDonald seconded the motion, which passed unanimously.

STORM WATER PERMITTING MATTERS AND STORM WATER MANAGEMENT PLAN

There was no discussion on this agenda item.

OPERATION OF DISTRICT FACILITIES

Mr. Lugo reviewed the operator's report for June, a copy of which is attached, and updated the Board on facility repair and maintenance matters. He reported the water accountability was 96% for the previous month.

Mr. Lugo reviewed a quote from Edustrial Solutions in the amount of \$5,093.76 to raise and grade four hydrants.

Mr. Lugo reviewed delinquent accounts and requested authorization to send three accounts to collections.

Mr. Lugo said that the District has received notice that the North Fort Bend Water Authority ("NFBWA") has triggered Stage 1 Drought Conditions requesting that participants implement voluntary water conservation efforts. Discussion ensued and the Board concurred to post an announcement on the District's website requesting that residents voluntarily observe water conservation efforts.

The Board discussed ongoing sanitary sewer line surveys throughout the District and requested that Mr. Lugo bring a proposal for a five-year sanitary sewer line surveying plan to the August Board Meeting.

Mr. Lugo updated the Board on the Water Smart Application.

After review and discussion, Director McDonald moved to (1) approve the operator's report; (2) approve the proposal to raise and grade four fire hydrants; and (3) refer three delinquent accounts to collections. Director Carlson seconded the motion, which passed unanimously.

HEARING ON TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT ACCOUNTS

The Board conducted a hearing on the termination of utility service. Mr. Lugo reported that the residents on the termination list provided to the Board were mailed written notice prior to this meeting in accordance with the Rate Order, notifying them of the opportunity to appear before the Board of Directors to explain, contest, or correct the utility service bill and to show reason why the utility service should not be terminated for reason of nonpayment. After discussion, Director McDonald moved that, because the residents on the termination list were neither present at the meeting nor had presented any statement on the matter, utility service should be terminated in accordance with procedures set forth in the Rate Order and directed that the termination list be filed appropriately and retained in the District's official records. Director Carlson seconded the motion, and the motion passed unanimously.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") MATTERS

There was no additional discussion on this agenda item.

DISTRICT WEBSITE MATTERS

The Board discussed District website matters.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

There was no discussion on this agenda item.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR A SETTLEMENT OFFER

The Board convened in executive session at 12:51 p.m. in order to conduct a private consultation with the District's attorneys regarding potential litigation. In attendance

were Directors Reuss, Traylor, McDonald, and Carlson, Ms. Trachtenberg, Ms. Blanton, and Mr. Best.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 1:14 p.m. The Board took no action during executive session.

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

(SEAL)




Secretary, Board of Directors

ATTACHMENTS TO MINUTES

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