

MINUTES
CINCO MUNICIPAL UTILITY DISTRICT NO. 14

July 26, 2023

The Board of Directors of Cinco Municipal Utility District No. 14 met in regular session, open to the public, on the 26th day of July, 2023, 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 Rene Anadel of Wheeler and Associates, Inc.; Stephanie Viator of District Data Services, Inc.; Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); and Duggan Baker and Kathryn Blanton of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes of the June 28, 2023 regular meeting, submitted in advance. After review and discussion, Director Carlson moved to approve the minutes, as submitted. Director Traylor seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING MATTERS

There was no discussion on this matter.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Viator reviewed the bookkeeper's report, including the bills for payment, a copy of which is attached.

Ms. Viator requested the Board approve payment of additional check no. 5722 in the amount of \$129,412.50, payable to Cinco Municipal Utility District No. 3 ("Cinco 3"), and check no. 5723 in the amount of \$224,612.50, payable to Cinco Municipal Utility

District No. 10 (“Cinco 10”). She noted check no. 5711 in the amount of \$1,699.09, payable to Director Carlson, has been voided and it was a duplicate payment for attendance at the Association of Water Board Directors summer conference. She stated that the check has been reissued and requested Board approval for check no. 5724 in the amount of \$239.50, payable to Director Carlson.

The Board discussed the proposed contribution for a pedestrian underpass located at Cinco Ranch Boulevard and Buffalo Bayou and concurred to defer action.

Following review and discussion, Director Traylor moved to approve the bookkeeper’s report and payment of the bills, including the additional checks as detailed above. Director McDonald seconded the motion, which passed unanimously.

ADOPT RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR THE ELECTION OF THE BOARD OF DIRECTORS OF THE FORT BEND CENTRAL APPRAISAL DISTRICT

Mr. Baker discussed the process for casting the District’s allocated votes for a water district nominee to appear on the ballot in the Appraisal District’s Board election. After review and discussion, Director McDonald moved to (1) adopt a Resolution Voting for Water District Nominee for the Election of the Board of Directors of the Fort Bend Central Appraisal District, casting the District’s seven votes for Michael D. Rozell to appear on the ballot; and (2) direct that the Resolution be filed appropriately with the Appraisal District and retained in the District’s official records. Director Carlson seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Andel presented the tax assessor/collector’s report for the previous month and the delinquent tax roll, copies of which are attached. She stated that 99.27% of the 2022 taxes were collected.

Following review and discussion, Director Carlson moved to approve the tax assessor/collector’s report and payment of the checks drawn on the tax account. Director McDonald seconded the motion, which passed unanimously.

Mr. Baker 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. He 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 2023 tax year.

Following discussion, Director Traylor moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed District for the 2023 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. Director McDonald seconded the motion, which passed unanimously.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Baker reported on legislation passed by the Texas Legislature to update the language for the Notice to Purchasers form that must be provided by persons proposing to sell or convey real property located in a water district. He said water districts that are required to maintain a website or have access to a website under Section 26.18, Tax Code, are also now required to post their Notice to Purchasers on the applicable website. The Board then considered authorizing execution of an Amendment to Information Form reflecting the District's new form of Notice to Purchasers attached thereto. Mr. Baker explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County and with the Texas Commission on Environmental Quality ("TCEQ"). After review and discussion, Director Carlson moved to authorize execution of the Amendment to Information Form and to authorize filing with Fort Bend County and the TCEQ. Director Traylor seconded the motion, which passed unanimously.

ENGINEERING MATTERS

The Board reviewed the engineering report, which was provided in advance by BGE, Inc., a copy of which is attached.

STORM WATER PERMITTING MATTERS AND STORM WATER MANAGEMENT PROGRAM

There was no discussion on this matter.

OPERATION OF DISTRICT FACILITIES

Ms. Bonilla-Odums reviewed the operator's report, a copy of which is attached, and updated the Board on facility repair and maintenance matters. She reported the water accountability was 97% for the previous month.

Ms. Bonilla-Odums reported that the Board approved sanitary sewer lines repairs are in progress.

Ms. Bonilla-Odums reported that the annual commercial meter testing is in progress.

Ms. Bonilla-Odums reported that water conservation plan signs have been placed throughout the District.

Ms. Bonilla-Odums requested Board authorization to send one uncollectible account totaling \$76.59 to a collection agency.

The Board conducted a hearing on the termination of utility service. Ms. Bonilla-Odums 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 review and discussion, Director Carlson moved to (1) approve the operator's report; (2) authorize the operator to send one uncollectible account totaling \$76.59 to a collection agency; (3) authorize termination of delinquent accounts in accordance with the District's Rate Order; and (4) direct that the termination list be filed appropriately and retained in the District's official records. Director McDonald seconded the motion, which passed unanimously.

North Fort Bend Water Authority ("NFBWA") MATTERS

Ms. Bonilla-Odums reviewed the NFBWA 2023 Water Provider Conservation Program initiatives.

DISTRICT WEBSITE MATTERS

The Board reviewed the analytics report provided by Off Cinco, a copy of which is attached.

Mr. Baker reviewed a proposal received from Off Cinco regarding its continued provision of Google Analytics reports to the District, a copy of which is attached. Discussion ensued and the Board declined.

REPORT ON LEGISLATIVE MATTERS

Mr. Baker reviewed a report prepared by ABHR regarding legislative matters pertaining to the 88th Regular Session of the Texas Legislature.

DISCUSS MEETING SCHEDULE

The Board concurred to hold the next meeting on August 23, 2023.

REPORTS FROM DIRECTORS AND DISTRICT CONSULTANTS ON DISTRICT OPERATIONS

There was no discussion on this matter.

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 11:38 a.m., pursuant to Section 551.071 of the Texas Government Code, in order to conduct a private consultation with the District's attorneys regarding potential litigation. In attendance were Directors Reuss, Carlson, McDonald and Traylor, Mr. Baker and Ms. Blanton.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 11:44 a.m. After discussion, Director Carlson moved to (1) authorize ABHR to draft correspondence to Cinco Municipal Utility District No. 1 ("Cinco 1") requesting that Cinco 1 discount amounts previously assessed to the District for water revenue loss; (2) authorize ABHR to draft correspondence regarding disbursement of the settlement payments to Cinco 3 and Cinco 10; and (3) authorize the bookkeeper to disburse the settlement payments in accordance with the Interlocal Cooperation Agreement with Cinco 3 and Cinco 10. Director Traylor seconded the motion, which passed unanimously.

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

Secretary, Board of Directors

(SEAL)

ATTACHMENTS TO MINUTES

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