

MINUTES
CINCO MUNICIPAL UTILITY DISTRICT NO. 14

August 24, 2022

The Board of Directors of Cinco Municipal Utility District No. 14 met in regular session, open to the public, on the 24th day of August 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:

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| 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 Traylor, thus constituting a quorum.

Also attending in person were Kevin Atkinson of Texas Pride Disposal; Spencer Day of Masterson Advisors ("Masterson"); Larry Mueller of BGE, Inc. ("BGE"); Rene Anandel of Wheeler and Associates, Inc. ("Wheeler"); Wendy Austin of District Data Services, Inc. ("DDS"); Robert Lugo of Inframark, LLC ("Inframark"); and Heather Trachtenberg and Kathryn Blanton of Allen Boone Humphries Robinson LLP ("ABHR").

Attending via teleconference during executive session only was Conner Best and Adam Richie 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 July 27, 2022, regular meeting, submitted in advance. After review and discussion, Director Carlson moved to approve the minutes, as submitted. Director Mensik seconded the motion, which passed unanimously.

GARBAGE AND RECYCLING MATTERS

Mr. Atkinson discussed garbage and recycling collection services for the month of July.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Austin 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 Mensik moved to approve the bookkeeper’s report and payment of the bills. Director McDonald seconded the motion, which passed unanimously.

TAX ASSESSMENT AND COLLECTION MATTERS

Ms. Anadel presented the tax assessor/collector’s report for the month of July and the delinquent tax roll, copies of which are attached. She stated that 99.13% of the 2021 taxes were collected by the end of July.

After 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 Mensik seconded the motion, which passed unanimously.

DISCUSS 2022 TAX RATE, SET PUBLIC HEARING DATE, AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board considered the District’s 2022 tax rate. Mr. Day distributed and reviewed a debt service tax rate analysis reflecting the recommendation for the District to levy a 2022 debt service tax rate of \$0.16 per \$100 of assessed valuation; based on the District’s initial 2022 certified value of \$682,366,998, plus \$1,319,390 representing 95% of the uncertified value under protest. A copy of the debt service tax rate analysis is attached. The Board then discussed the District’s operation and maintenance tax rate. Ms. Trachtenberg discussed the two-step process for setting the District’s tax rate.

Following review and discussion, Director McDonald moved to: (1) set the public hearing date for September 28, 2022; and (2) authorize the tax assessor/collector to publish notice of the District’s meeting on September 28, 2022, to set the proposed 2022 total tax rate of \$0.49 per \$100 of assessed valuation, with \$0.16 allocated for debt service, \$0.19 allocated for operations and maintenance, and \$0.14 allocated for the contract tax requirements. Director Mensik seconded the motion, which passed unanimously.

ENGINEERING MATTERS

Mr. Mueller reviewed an engineering report, a copy of which is attached.

Mr. Mueller stated that the Godwin Back-Up Natural Gas Specialized Pumping System installation has been completed and is awaiting CenterPoint’s installation of the

natural gas meter. He then reported that the GIS system is ready to turn over to Inframark for operation.

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 July, a copy of which is attached, and updated the Board on facility repair and maintenance matters. He reported the water accountability was 94% for the previous month.

Mr. Lugo discussed the five-year plan for repairs and maintenance of water and sewer systems, including valve survey. Discussion ensued.

Mr. Lugo stated he received correspondence stating that televising would not be able to be scheduled until the beginning of 2023. He advised to proceed with scheduling the services. Discussion ensued.

Mr. Lugo stated that he had requested more Stage 1 Drought Condition signs to be placed out in the District.

The Board reviewed correspondence from Cinco Municipal Utility District No. 1 ("Cinco MUD No. 1"), a copy of which is attached, stating that beginning October 1, 2022, Cinco MUD No. 1 will be: i) adjusting its calculation of its water billing for the pass-through costs of the NFBWA pumpage fee based on each participant District's pro rata share of the overall system's monthly usage; and ii) increasing its monthly connection charge from \$31.75 to \$34.75.

After review and discussion, Director McDonald moved to approve the operator's report. Director Mensik 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 Mensik seconded the motion, and the motion passed unanimously.

NORTH FORT BEND WATER AUTHORITY ("NFBWA") MATTERS

There was no 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 12:39 p.m. in order to conduct a private consultation with the District's attorneys regarding potential litigation. In attendance were Directors Reuss, McDonald, Mensik, and Carlson, Ms. Trachtenberg, Ms. Blanton, Mr. Best, and Mr. Richie.

RECONVENE IN OPEN SESSION

The Board reconvened in open session at 2:26 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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