

MINUTES
CINCO MUNICIPAL UTILITY DISTRICT NO. 7

September 19, 2019

The Board of Directors (the "Board") of Cinco Municipal Utility District No. 7 (the "District") met in regular session, open to the public, on the 19th day of September, 2019, at the offices of Inframark Water & Infrastructure Services, 2002 West Grand Parkway North, Suite 100, Katy, Texas 77449, outside the boundaries of the District, and the roll was called of the members of the Board:

David Drake	President
Timothy J. Doré	Vice President
Greg Nunn	Secretary
Megan Perkins	Assistant Secretary
Scott Drawdy	Assistant Vice President/Investment Officer

and all of the above were present except Directors Perkins and Nunn, thus constituting a quorum.

Also present at the meeting were Joseph Ellis of McCall Gibson Swedlund Barfoot PLLC ("McCall"); Bob Ring of Inframark LLC ("Inframark"); Rose Montalbano of F. Matuska, Inc.; and Greer Pagan, Harry Thompson, and Jennifer Ramirez of Allen Boone Humphries Robinson LLP ("ABHR").

APPROVE MINUTES

The Board considered approving the minutes of the August 15, 2019, regular meeting. After review and discussion, the Board unanimously approved the minutes of the August 15, 2019, regular meeting.

PUBLIC COMMENTS AND FUTURE AGENDA ITEMS

There were no comments from the public.

REQUEST FOR INSTALLATION OF SIDEWALKS

Mr. Pagan updated the Board on the status of the request for installation of two sidewalks.

ENGAGE AUDITOR TO CONDUCT AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2019

The Board considered authorizing McCall to proceed with preparation of the District's audit report for the fiscal year ending September 30, 2019. Mr. Ellis presented

a letter from McCall with estimated fees ranging from \$14,000 to \$14,750, a copy of which is attached. After discussion, the Board unanimously authorized McCall to proceed with preparation of the annual audit.

FINANCIAL AND BOOKKEEPING MATTERS

Ms. Montalbano reviewed the bookkeeper's report and investment report, including the bills presented for payment, a copy of which is attached. She noted the addition of check no. 4270 in the amount of \$144.00 to the Fort Bend County Tax Office. Following review and discussion, the Board unanimously approved the bookkeeper's report, investment report, and payment of the bills.

Ms. Montalbano presented and reviewed the proposed budget for the District's fiscal year ending September 30, 2020, a copy of which is attached to the bookkeeper's report. Following review and discussion, the Board unanimously adopted the budget for fiscal year ending September 30, 2020, as presented.

FORT BEND COUNTY TAX ASSESSOR/COLLECTOR TAX ASSESSMENT AND COLLECTIONS MATTERS

Ms. Montalbano presented the August report from the Fort Bend County tax assessor/collector, a copy of which is attached. Following review and discussion, the Board unanimously concurred to accept the tax assessor/collector's report for the month of August.

CONDUCT PUBLIC HEARING REGARDING DISTRICT'S TAX RATE, ADOPT ORDER LEVYING TAXES, AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Pagan stated that Fort Bend County published the required Notice of Public Hearing stating the District anticipates levying a maximum total tax rate of \$0.42 at this meeting.

Director Drake then opened the public hearing. No members of the public came forward to make comments. Director Drake then closed the public hearing.

Discussion ensued by the Board regarding the 2019 tax rate. Based on the discussion, Mr. Pagan presented to the Board an Order Levying Taxes for a \$0.42 total tax rate, comprised of \$0.15 for debt service, \$0.185 for contract tax, and \$0.085 for operations and maintenance. He also presented an Amendment to Information Form reflecting the new tax rate.

After review and discussion, the Board voted unanimously to adopt the Order Levying Taxes as presented and authorize execution of the Amendment to Information Form, and direct that the Order and Amendment be filed appropriately and retained in

the District's official records. The Board confirmed its intention that the 2019 tax levy includes a debt service component for the calendar year ending December 31, 2020, and a maintenance tax component for the fiscal year ending September 30, 2020.

UPDATE ON DISTRICT WEBSITE

The Board discussed the preview of the District's website created by Off Cinco. After review and discussion, the Board unanimously approved the District's website.

OPERATION OF DISTRICT FACILITIES

Mr. Ring presented and reviewed the operator's report, a copy of which is attached. He then discussed operation, maintenance, and repairs of District facilities. Mr. Ring stated that water accountability for the previous month was 97%. After review and discussion, the Board unanimously approved the operator's report.

TERMINATION OF SERVICE

Mr. Ring presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, the Board unanimously authorized termination of delinquent accounts in accordance with the District's Rate Order, and directed that the delinquent customer list be filed appropriately and retained in the District's official records.

ENGINEERING MATTERS

There was no discussion on this matter.

DISCUSS KATY ECONOMIC DEVELOPMENT COUNCIL MEETINGS

There was no discussion on this matter.

WILLOW FORK DRAINAGE DISTRICT ("WFDD") MATTERS, INCLUDING PHASE II MS4 STORM WATER MANAGEMENT PLAN IMPLEMENTATION

The Board discussed attending the next WFDD meeting.

NORTH FORT BEND WATER AUTHORITY MATTERS

There was no discussion on this matter.

CINCO MUNICIPAL UTILITY DISTRICT NO. 1 ("CINCO 1") MATTERS

There was no discussion on this matter.

DISCUSS STATUS OF CLAIM AGAINST THE UNITED STATES ARMY CORPS OF ENGINEERS ("USACE")

The Board discussed the status of the District's claim against the USACE.

EMERGENCY SERVICES DISTRICT NO. 100 AND MATTERS RELATED TO DISTRICT SECURITY

There was no discussion on this matter.

DISCUSS ATTENDANCE AT REGIONAL MEETINGS

There was no discussion on this matter.

LEGAL CONFLICTS WAIVER

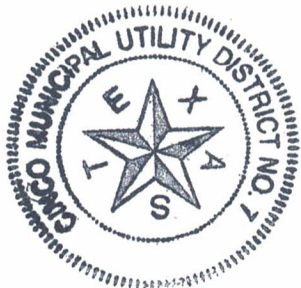
Mr. Pagan reminded the Board that ABHR also represents Cinco 1 and reviewed a legal conflicts waiver with respect to the preparation of the Second Amendment to Contract for Financing and Operation of Regional Waste Collection, Treatment, and Disposal Facilities and Regional Water Supply and Delivery Facilities (the "Second Amendment") between the District and Cinco 1. Following review and discussion, the Board unanimously approved the legal conflicts waiver.

SECOND AMENDMENT TO CONTRACT FOR FINANCING AND OPERATION OF REGIONAL WASTE COLLECTION, TREATMENT, AND DISPOSAL FACILITIES AND REGIONAL WATER SUPPLY AND DELIVERY FACILITIES

Mr. Thompson reviewed the Second Amendment. After review and discussion, the Board unanimously approved the Second Amendment and directed that the Second Amendment be filed appropriately and retained in the District's official records.

There being no further business to come before the Board, the Board concurred to adjourn the meeting.

(SEAL)




Secretary, Board of Directors

LIST OF ATTACHMENTS TO MINUTES

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