

# DRAFT

## MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 12

February 13, 2023

The Board of Directors (the "Board") of Cinco Municipal Utility District No. 12 (the "District") met in regular session on February 13, 2023, at the Cinco Ranch Residential Property Association, 3022 Windemere Park Lane, Katy, Texas, a meeting place outside the boundaries of the District, and the roll was called of the members of the Board being present by in person:

|                 |                          |
|-----------------|--------------------------|
| Stephanie Faulk | President                |
| Dana Cleland    | Vice President           |
| William Cary    | Secretary                |
| Neill Hurley    | Assistant Secretary      |
| Tim Kubiak      | Assistant Vice President |

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

Also attending the meeting in person were Bruce Thomas of Cinco Ranch Property Association ("PA"); Ashley David of Syren Entertainment Company; Yvonne Arceneaux of Central Green; Kevin Atkinson of Texas Pride Disposal; Tyson Duncan of AECOM; Rene Andel of Wheeler & Associates, Inc.; Jennifer Abad of Municipal Accounts and Consulting, L.P. ("Municipal Accounts"); Missy Steadman of Inframark Water & Infrastructure Services ("Inframark"); and Harry H. Thompson and Kim Cannon-Griffin of Allen Boone Humphries Robinson LLP ("ABHR").

### PUBLIC COMMENTS

There were no public comments.

### COMMUNITY IMPROVEMENTS

Mr. Thomas introduced himself to the Board and discussed the PA's interest in renovating the tennis courts into pickle ball courts and/or the installation of new pickle ball courts. He noted one tennis court has been renovated to a pickle ball court in the amount of approximately \$3,000.00, which included restriping and new nets. He stated that the PA does not currently have funds in their 2023 budget for new pickle ball courts, which can cost approximately \$25,000.00, per court, including concrete, lighting, fencing and nets. The Board discussed the contribution of public funds, requirements for the pickle ball courts to be open to the general public for use, and possible locations for the pickle ball courts.

## DISCUSS GARBAGE MATTERS

Mr. Atkinson discussed garbage and recycling matters. He stated that Texas Pride has entered into a strategic and financial partnership with NMS Capital, which will enable Texas Pride to experience positive changes within the company including additional experienced personal and purchasing and maintenance of equipment. Discussion ensued regarding the recent news stories regarding missed collections and the misrepresentation of same according to Texas Pride. Mr. Atkinson stated he is confident in Texas Pride's ability going forward to provide exemplary garbage and recycling services.

## UPDATE ON CENTRAL GREEN

Ms. Davis presented a Christmas broadcast and concert event slideshow proposed to be held at Central Green December 22, 2023. She discussed potential sponsorships for the event and talent options to be included. Discussion ensued regarding the potential attendance at the event, exceeding 40,000, parking for the event and possible entry fees. Ms. Arceneaux discussed having a local televised event on a smaller scale in lieu of the nationally televised event, if the Board was interested. A copy of the proposed Christmas broadcast concert event slideshow is attached.

The Board requested that Ms. Arceneaux and Ms. Davis present their proposed Christmas broadcast and concert event to Willow Fork Drainage District and La Centerra before any further discussions with the District.

Ms. Arceneaux distributed and reviewed the Central Green report and discussed the upcoming year schedule of events. A copy of the report is attached.

## APPROVE MINUTES

The Board considered approving the minutes from the January 9, 2023, regular meeting. After review and discussion, Director Cleland moved to approve the minutes, as presented. Director Cary seconded the motion, which passed unanimously.

## WEBSITE MATTERS

There was no discussion on this matter.

## TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Andel reviewed the tax assessor/collector's report, with the Board, a copy of which is attached. She stated that 87.12% of the District's 2022 tax levy has been collected.

The Board discussed the delinquent tax accounts, including delinquent personal property accounts, a copy of which is attached to the tax assessor's report. Ms. Andel

discussed one delinquent account with a balance of \$470.37, and recommended the District write off this account deemed as uncollectable.

After discussion and based on the tax assessor/collector's recommendation, Director Cary moved to (1) approve the tax assessor/collector's report, and payment of the tax bills; and (2) authorize the tax assessor to forward the one delinquent tax account in the amount of \$470.37, deemed as uncollectable, to collections. Director Kubiak seconded the motion, which passed by unanimous vote.

## BOOKKEEPER'S REPORT

Ms. Abad reviewed the bookkeeper's report, a list of checks presented for payment, and the investment report, copies of which are attached.

Ms. Abad presented one additional check, check no. 6339, payable to Director Hurley for reimbursement of expenses for his attendance to the Association of Water Board of Directors winter conference.

After discussion, and based on the bookkeeper's recommendation, Director Cary moved to approve the bookkeeper's report, and payment of the bills, including the one additional check, as presented. Director Kubiak seconded the motion, which carried by unanimous vote.

## CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY AND ADOPT RESOLUTION REGARDING ANNUAL REVIEW OF INVESTMENT POLICY

Mr. Thompson reviewed a Resolution Regarding Annual Review of Investment Policy and noted that neither ABHR nor the investment officer recommend any changes to the Investment Policy. Director Cary moved to adopt a Resolution Regarding Annual Review of Investment Policy consistent with the Board's discussion, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Kubiak seconded the motion, which passed unanimously.

## ADOPT RESOLUTION ESTABLISHING THE AUTHORIZED DEPOSITORY INSTITUTIONS AND ADOPTING LIST OF QUALIFIED BROKER/DEALERS WITH WHOM THE DISTRICT MAY ENGAGE IN INVESTMENT TRANSACTIONS

Mr. Thompson explained that the Texas Public Funds Investment Act requires the Board to annually review its list of broker/dealers and authorize any appropriate changes, which has been provided by the District's bookkeeper. Director Cary moved to adopt a Resolution Establishing the Authorized Depository Institutions and Adopting List of Qualified Broker/Dealers with Whom the District May Engage in Investment Transactions, to update the existing list of qualified broker/dealers and to direct that

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the Resolution be filed appropriately and retained in the District's official records. Director Kubiak seconded the motion, which carried by unanimous vote.

## DISCUSS ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") WINTER CONFERENCE, APPROVE REIMBURSEMENT OF ELIGIBLE EXPENSES, AND AUTHORIZE ATTENDANCE AT SUMMER CONFERENCE.

The Board discussed the seminars from the AWBD winter conference. The Board then discussed the AWBD summer conference in Corpus Christi, Texas from June 22-24, 2023. After discussion, Director Cary moved that the Board authorize any interested Director to attend the AWBD summer conference. Director Cleland seconded the motion, which passed by unanimous vote.

## ENGINEERS REPORT

Mr. Duncan reviewed the engineer's report, a copy of which is attached.

## PHASE II MS4 PERMITTING MATTERS

Mr. Duncan stated AECOM is currently preparing the annual report.

## CONSENT TO ENCROACHMENT, UTILITY COMMITMENT LETTERS, OR RESERVATIONS OF CAPACITY

Mr. Duncan stated that Cinco Municipal District No. 1 ("MUD No. 1") will need to relocate a portion of their 24-inch water line that is currently adjacent to the Grand Parkway 99 Right of Way. He stated MUD No. 1 has submitted plans for review and requested a No Objection letter from the District. He stated that AECOM has received the plans, requested revisions, and has issued a no objection letter after a final review. The No Objection letter is attached to the operator's report.

## PEDESTRIAN SIGNS AND TRAFFIC LIGHT COORDINATION NEAR CINCO RANCH HIGH SCHOOL

There was no discussion on this matter.

## OTHER ENGINEERING MATTERS

Mr. Duncan discussed the due diligence efforts and presentation preparation of the water line distribution system in the District, which includes water supply availability, treatment capabilities, distribution capacity, and line replacement costs.

## OPERATOR'S REPORT

Ms. Steadman reviewed the operator's report, a copy of which is attached. She stated water accountability for the previous month was 97%.

The Board discussed the Water Conservation Program and the District's status of the required points and the requirements to received water credits, including a liaison committee. After discussion, Director Hurley and Director Cary volunteered to be on the Committee and Director Hurley nominated Ms. Shelby Hurley as the liaison, and the Board concurred.

## UPDATE ON SMART METER INSTALLATION, SERVICES AGREEMENT WITH ACCURATE UTILITY SUPPLY, LLC, AND AUTHORIZE APPROPRIATE ACTION

Ms. Steadman updated the Board on the status of the Service Agreement with Accurate Utility Supply ("Accurate") and stated Inframark is awaiting the executed copy from Accurate. She stated the smart meters are anticipated to take approximately 4-6 months to be received.

After discussion, and based on the operator's recommendation, Director Cary moved to approve the operators report. Director Hurley seconded the motion, which carried by unanimous vote.

## TERMINATION OF WATER AND SEWER SERVICE TO DELINQUENT CUSTOMERS AND AUTHORIZE TERMINATION OF SERVICE

Ms. Steadman stated that that there were six delinquent accounts for the month of January 2023 that remain unpaid, a copy of which is attached to the operator's report. She reported the residents on the termination list 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, Director Cary moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Kubiak and passed by unanimous vote.

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## UPDATE ON LANDSCAPE MAINTENANCE ASSOCIATION (“LMA”) LANDSCAPE IMPROVEMENTS

There was no discussion on this matter.

## DISCUSS SECURITY REPORTS

The Board discussed the traffic reports, copies of which are attached.

After discussion, Director Kubiak moved to approve the security reports, and authorize payments to District officers per the contract guidelines. Director Cary seconded the motion, which carried by unanimous vote.

## DISCUSS NOISE WALLS

There was no discussion on this matter.

## CORPS OF ENGINEER’S UPSTREAM LITIGATION

Mr. Thompson discussed the upstream litigation and the efforts by Fort Bend County outreach to residents regarding same, including town hall meetings.

## MEETING SCHEDULE

The Board concurred to have the next regular meeting on March 13, 2023, at 6:00 p.m., at the Cinco Ranch Homeowners Association building located on Windemere Road.

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

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Secretary, Board of Directors

(SEAL)

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