

MINUTES
CINCO MUNICIPAL UTILITY DISTRICT NO. 12

February 12, 2024

The Board of Directors (the "Board") of Cinco Municipal Utility District No. 12 (the "District") met in regular session on February 12, 2024, 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 were: Kevin Atkinson of Texas Pride; Derek Michael of SRI, Inc.; Tyson Duncan of AECOM; Emma Highberger of Wheeler & Associates, Inc.; Jennifer Abad of Municipal Accounts and Consulting, L.P. ("Municipal Accounts"); Missy Steadman and Dorothy Lavine of Inframark Water & Infrastructure Services ("Inframark"); and Harry H. Thompson, Andrew Vaughan and Kim Cannon of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

There were no public comments.

CONSENT AGENDA

Mr. Thompson offered Board members an opportunity to remove items from the consent agenda for individual discussion. Director Cary moved to approve all items on the consent agenda, and to direct that, where appropriate, items are filed appropriately and retained in the District's official records, including the following: the minutes from the January 8, 2024, regular meeting and the Central Green report, a copy of which is attached. Director Kubiak seconded the motion, which carried by unanimous vote.

ITEMS REMOVED FROM CONSENT AGENDA

There were no items removed from the consent agenda.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Highberger reviewed the tax assessor/collector's report and uncollectible personal property accounts, with the Board, a copy of which is attached. She stated that 79.54% of the District's 2023 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.

Mr. Michael distributed and reviewed the sale tax revenue report, a copy of which is attached.

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) approve the sale tax revenue report. Director Kubiak seconded the motion, which passed by unanimous vote.

RENEWAL OF DISTRICT INSURANCE POLICIES

There was no discussion on this matter.

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.

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

DISCLOSURE STATEMENT FROM BOOKKEEPER

Mr. Vaughan stated the District's bookkeeper and Investment Officer is required to execute a disclosure statement that discloses any relationship with banks and brokers who seek to sell investments to the District. He added that the disclosure statements will be filed with the Texas Ethics Commission ("TEC"). After review and discussion, Director Cary moved to accept the disclosure statement from the bookkeeper and Investment Officer, and authorize filing with the TEC, as required. Director Kubiak seconded the motion and the motion passed unanimously.

CONDUCT ANNUAL REVIEW OF INVESTMENT POLICY

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

GARBAGE MATTERS, INCLUDING APPROVE AMENDMENT TO CONTRACT

Mr. Atkinson reviewed an amendment to the garbage contract to include an incremental fuel surcharge for fuel costs that exceed \$3.25 per gallon. After discussion, Director Cary moved to approve the amendment, as revised and subject to final review. Director Kubiak second the motion which carried by unanimous vote.

ENGINEER'S REPORT

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

PHASE II MS4 PERMITTING MATTERS

There was no discussion on this matter.

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

There was no discussion on this matter.

ASSESSMENT AND INVENTORY OF DISTRICT FACILITIES

Mr. Duncan stated that AECOM has completed the report to identify approximate dates of installation and material types of the District's water system as required by the Environmental Protection Agency. He stated AECOM will submit the report to the Texas Commission on Environmental Quality ("TCEQ") by October 2024.

OPERATOR'S REPORT

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

The Board discussed the Water Conservation Program, the District's status of the required points and the requirements to receive 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

There was no discussion on this matter.

STORMWATER INLET AND MANHOLE SURVEY INSPECTIONS AND MANHOLE REPAIRS

Ms. Lavine updated the board on the storm water inlet inspection survey and the manhole survey are complete. She requested approval of the recommended manhole repairs in the amount of \$81,550.00, a copy of which is attached to the operator's report. She noted there are two manholes in a roadway and in an inlet that will require additional concrete work, not included in the repair proposal. Discussion ensued regarding the estimated costs of the three additional manhole repairs of approximately \$20,000.00.

Discussion ensued regarding payment for the manhole repairs, including use of operating funds or sales tax revenue. After discussion the Board concurred to add a line item in the budge for the manhole repairs for tracking purposes.

Ms. Steadman discussed the sidewalk repairs along Peek Road and proposal for same, in the amount of \$52,548.57, a copy of which is attached to the operator's report. Discussion ensued regarding additional sidewalk repairs that need to be included in the proposal, specifically located behind Meadow Palm Drive. Ms. Steadman noted the additional sidewalk repairs will be inspected and included in an updated proposal for next months' meeting. The Board did not take action at this time.

After discussion, and based on the operator's recommendation, Director Cary moved to approve the operator's report and approve the manhole repairs, in an amount not to exceed \$100,000.00. Director Kubiak seconded the motion, which carried by unanimous vote.

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

Ms. Lavine 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 carried by unanimous vote.

DISCUSS SECURITY REPORTS, AND SECURITY PROPOSAL FROM THE FORT BEND COUNTY CONSTABLE'S ("FBC") OFFICE

The Board discussed the traffic reports, copies of which are attached. The Board discussed last-minute shift coverages between deputies and process for same. Ms. Abad noted that last minute changes can be adjusted for the payroll prior to the Board meeting when checks are approved.

The Board discussed the written proposal from Deputy Jesse Zamaripa for the use of the FBC patrol vehicles by the hired officers for use during their patrol shifts within the District boundaries. Director Kubiak stated the proposal includes the use of the FBC patrol vehicles at no additional cost, no fuel costs, but does include a pay increase for the deputies to \$50.00 per hour. Discussion ensued.

Director Kubiak requested permission to receive a per diem for his work with FBC and Deputy Zamaripa for the contract negotiations for use of the FBC patrol vehicles.

After discussion, Director Cary moved to (1) approve the security reports; (2) authorize payments to District deputies pursuant to the proposal outlined by Director Kubiak above and direct ABHR to prepare an amendment to the Security Services Contract regarding same; and (3) approve an additional per diem for Director Kubiak, check no. 6584, in the amount of \$204.10, as requested. Director Kubiak seconded the motion, which carried by unanimous vote.

COMMUNITY IMPROVEMENTS

Mr. Thompson discussed the proposed projects that the District has expressed interest in partnering with Willow Fork Drainage District ("WFDD"). The Board concurred to schedule quarterly meetings with WFDD on the third Monday of the month, if possible.

Mr. Thompson updated the Board on the status of the Flock security camera contracts with FBC stating that an agreement has been approved.

Director Cleland updated the Board on the status of the noise walls.

2024 DIRECTORS ELECTION

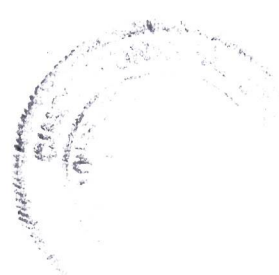
Mr. Thompson discussed procedures related to the 2024 Directors Election. He reviewed an Order Calling Directors Election. Following review and discussion, Director Cary moved to adopt the Order Calling Directors Election and direct that the Order be filed appropriately and retained in the District's official records. Director Kubiak seconded the motion, which passed unanimously.

Mr. Thompson discussed that Notice of Election may be required to be posted or published and provided to the County Clerk and Voter Registrar of Fort Bend County. Following discussion, Director Cary moved to authorize the Secretary's agent to post or publish and provide to the Fort Bend County Clerk and Voter Registrar Notice of Election, if required, and to direct that the Notice be filed appropriately and retained in the District's official records. Director Kubiak seconded the motion, which passed unanimously.

MEETING SCHEDULE

The Board concurred to have the next Board meeting on March 11, 2024.

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





Secretary, Board of Directors

(SEAL)

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