

DRAFT

MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 12

March 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 except Director Hurley, thus constituting a quorum.

Also attending the meeting in were Stephanie Kennedy, a resident of the District; Josh Hargrave of Brown & Brown Lonestar Insurance Agency (“Brown & Brown”), participating via teleconference; Derek Michael of Sales Revenue Inc. (“SRI”); 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 Kathryn Blanton of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes from the February 13, 2023, regular meeting. After review and discussion, Director Cary moved to approve the minutes, as presented. Director Kubiak seconded the motion, which passed unanimously.

RENEWAL OF DISTRICT INSURANCE POLICIES

The Board reviewed and discussed the proposal for the renewal of the District’s insurance coverage with the Texas Municipal League Intergovernmental Risk Pool (“TML”) through Brown & Brown, which will renew on March 31, 2023. After discussion, Director Cary moved to accept the proposals from Brown & Brown for the District’s insurance renewal. Director Kubiak seconded the motion, which carried unanimously.

WEBSITE MATTERS

There was no discussion on this matter.

UPDATE ON CENTRAL GREEN

Mr. Thompson stated that Ms. Yvonne Arceneaux presented the Christmas broadcast production idea to Willow Fork Drainage District. He noted that they share similar concerns as the Board regarding the proposed Christmas broadcast production.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Anadel reviewed the tax assessor/collector's report, with the Board, a copy of which is attached. She stated that 98.06% 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. Anadel discussed the Cinco Ranch Memory Care LLC delinquent account with a balance of \$470.37, and the Texas Southern Land Title delinquent account with a balance of \$37.87, and recommended the District write off the accounts deemed as uncollectible.

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 write off the two delinquent tax accounts in the collective amount of \$508.24, deemed as uncollectible. Director Kubiak seconded the motion, which passed by unanimous vote.

Mr. Michael reviewed the sales and use tax administration report, a copy of which is attached. Mr. Michael stated the limited annexation of land option is available at this time. Discussion ensued regarding the vacant land that could possibly be included in the Strategic Partnership Agreement as commercial property.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board next considered adopting a Resolution Concerning Exemptions from Taxation. Director Cleland discussed increasing the exemption of the appraised value of resident homesteads of individuals who are disabled or 65 years of age or older from \$65,000 to \$70,000. After discussion, Director Cary moved to adopt a Resolution Concerning Exemptions from Taxation granting a general homestead exemption of 20% of the appraised value of residence homesteads and a \$70,000 exemption of the appraised value of residence homesteads of individuals who are disabled or are 65

years of age or older. Director Kubiak seconded the motion, and the motion passed 3-1, with Director Cleland abstaining from the 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.

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.

ENGINEERS REPORT

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

PHASE II MS4 PERMITTING MATTERS

Mr. Duncan stated AECOM has prepared the annual report, and recommends execution of the certification page.

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

There was no discussion on this matter.

PEDESTRIAN SIGNS AND TRAFFIC LIGHT COORDINATION NEAR CINCO RANCH HIGH SCHOOL

There was no discussion on this matter.

Following review and discussion, and based on the engineer's recommendation, Director Cary moved to (1) approve the engineer's report; (2) approve the Year 4 Annual Report, authorize execution of same and direct that the report be filed appropriately and retained in the District official records. Director Kubiak seconded the motion, which carried by unanimous vote.

ANNUAL REVIEW OF EMERGENCY PREPAREDNESS PLAN ("EPP")

Mr. Duncan stated AECOM has reviewed the District's EPP and recommended updating the contact information as well as transferring the template to the current Texas Commission on Environmental Quality template. He stated that AECOM has requested to receive a copy of the updated Cinco Municipal Utility District No. 1's EPP.

DRAFT

Following review and discussion, and based on the engineer's recommendation, Director Cary moved to approve the engineer's report and approve the District's EPP, with revisions, as discussed. Director Cleland seconded the motion, which carried by unanimous vote.

OPERATOR'S REPORT

Ms. Steadman reviewed the operator's report, a copy of which is attached. She stated water accountability for the previous month 95%.

The Board discussed the Water Conservation Program and the District's status of the required points and the requirements to received water credits.

CONDUCT ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board reviewed the District's current Amended and Restated Drought Contingency Plan and determined that no changes were needed at this time.

APPROVE ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PROGRAM

Ms. Steadman reviewed the Districts' current Water Conservation Plan and stated that no changes were needed at this time.

Ms. Steadman discussed setting the high-water user letter threshold at 20,000 gallons for 2023. Discussion ensued.

Ms. Steadman reviewed an estimate for fire hydrant repairs in an amount of \$7,150.00, submitted by Inframark, a copy of which is attached to the operation's report.

Ms. Steadman stated the reverse osmosis plant in Cinco Municipal Utility District No. 1 is currently collecting samples. She stated June 2023 is the production deadline.

UPDATE ON SMART METER INSTALLATION

There was no discussion on this matter.

After discussion, and based on the operator's recommendation, Director Cary moved to (1) approve the operators report; (2) set the high-water user letter threshold for 2023 at 20,000 gallons; and (3) approve the fire hydrant repairs in the amount of \$7,150.00, submitted by Inframark. 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. Steadman 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.

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.

Director Kubiak suggested the District add an additional security shift due to the increased amount of activity. Discussion ensued.

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 GARBAGE MATTERS

There was no discussion on this matter.

COMMUNITY IMPROVEMENTS

The Board discussed installing a pickleball court in Freedom Park.

Mr. Thompson noted that the Homeowners Association is currently preparing a proposal for the installation of additional pickleball courts for Board review.

DISCUSS NOISE WALLS

There was no discussion on this matter.

DRAFT

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 April 10, 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.

Secretary, Board of Directors

(SEAL)

LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Tax assessor/collector's Report	2
Sales and Use Tax Administration Report	2
Bookkeeper's Report.....	3
Engineer's Report.....	3
Operator's Report.....	4
Security reports	5