

DRAFT

MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 12

June 12, 2023

The Board of Directors (the “Board”) of Cinco Municipal Utility District No. 12 (the “District”) met in regular session on June 12, 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:

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|-----------------|--------------------------|
| 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 Derek Michael and Magen Fischer of Sales Revenue, Inc.; 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 of Allen Boone Humphries Robinson LLP (“ABHR”).

PUBLIC COMMENTS

There were no public comments.

APPROVE MINUTES

The Board considered approving the minutes from the May 8, 2023, regular meeting. After review and discussion, Director Cary moved to approve the minutes, as presented. Director Kubiak seconded the motion, which passed unanimously.

WEBSITE MATTERS

There was no discussion on this matter.

UPDATE ON CENTRAL GREEN

The Board reviewed the Central Green report, a copy of which is attached.

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 99.15% 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.

Mr. Michael distributed and reviewed the sales tax revenue report, a copy of which is attached. He noted an increase of collections of 4% for 2023.

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 sales tax revenue report. Director Kubiak seconded the motion, which passed by unanimous vote.

AUTHORIZE DELINQUENT TAX ATTORNEY TO PROCEED WITH COLLECTION OF DELINQUENT TAXES

The Board considered authorizing its delinquent tax attorney to proceed with the collection of delinquent taxes owed to the District as of July 1, 2023, including assessment of the 20% penalty for the collection of delinquent taxes as authorized by the Property Tax Code. After review and discussion, Director Cary moved to authorize Ted Cox to proceed with the collection of delinquent 2022 taxes outstanding as of July 1, 2023. Director Kubiak seconded the motion, which passed unanimously.

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

There was no discussion on this matter.

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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 is in the process of identifying approximate dates of installation and determining material types of the District's water system, where possible

Mr. Duncan stated the Environmental Protection Agency, through the Texas Commission on Environmental Quality ("TCEQ") is requiring that Community Water Systems complete a comprehensive inventory of their water systems. He stated AECOM is collaborating with Inframark to complete the TCEQ worksheet that outlines the process and the reporting of same.

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 approve the engineer's report. Director Kubiak 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 93%.

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

Ms. Steadman stated the fire hydrant repairs are in process and the sewer manholes inspection survey is near completion.

UPDATE ON SMART METER INSTALLATION

Ms. Steadman stated the smart meters have been ordered and are expected to be delivered and installation to begin at the end of the summer.

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PROPOSAL FOR TREE TRIMMING NEAR FLOCK SECURITY CAMERAS

Ms. Steadman stated there are trees blocking one of the Flock security camera's solar panel, but the tree is not on the District's property. Discussion ensued regarding trimming the pine tree and possibly relocating the pole. After discussion, the Board concurred to request ABHR to contact Flock security to relocate the pole away from the tree into direct sunlight.

After discussion, and based on the operator's recommendation, Director Cary moved to approve the operator's report. 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

The Board discussed reaching out to the LMA to open communication lines with the new employees.

DISCUSS SECURITY REPORTS

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

After discussion, Director Cary moved to (1) approve the security reports; and (2) authorize payments to District officers per the contract guidelines. Director Kubiak seconded the motion, which carried by unanimous vote.

DISCUSS GARBAGE MATTERS

Mr. Thompson reminded the Board that the District's contract with Texas Pride will expire in September 2023. The Board noted there have been no recent complaints regarding garbage and recycling services.

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COMMUNITY IMPROVEMENTS

The Board discussed possible funding opportunities and collaboration with the Cinco Ranch Homeowners Association (“HOA”) regarding same. After discussion, the Board concurred to request a member of the HOA attend the next meeting to discuss HOA projects.

DISCUSS NOISE WALLS

The Board discussed the noise wall project and the boundary lines of the District a copy of a map of the District is attached.

Director Cleland discussed two upcoming meetings, June 22nd and June 30th, to discuss the Fort Bend County noise wall project and turning lanes project. He requested approval for interested Board members to attend and receive per diems for both meetings. After discussion, Director Cary moved to authorize attendance and to receive per diems for the Fort Bend County meetings on June 22nd and June 30th. Director Hurley seconded the motion, which carried by unanimous vote.

CORPS OF ENGINEER’S UPSTREAM LITIGATION

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

MEETING SCHEDULE

The Board concurred to have the next regular meeting on July 10, 2023, at 6:00 p.m., at the HOA building located on Windemere Road.

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

Secretary, Board of Directors

(SEAL)

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