

DRAFT

MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 12

July 10, 2023

The Board of Directors (the “Board”) of Cinco Municipal Utility District No. 12 (the “District”) met in regular session on July 10, 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 were Alec Bray of Willow Fork Drainage District (“WFDD”); Yvonne Arceneaux of Central Green; Tyson Duncan of AECOM; Rene Anandel 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

Mr. Bray discussed a request from WFDD for proposed funding for a pedestrian underpass located at Buffalo Bayou. Discussion ensued.

APPROVE MINUTES

The Board considered approving the minutes from the June 12, 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

Ms. Arceneaux reviewed the Central Green report, a copy of which is attached. Discussion ensued regarding event options for the 2024 year.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Andel reviewed the tax assessor/collector's report and uncollectible personal property accounts, with the Board, a copy of which is attached. She stated that 99.33% 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.

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 writing off uncollectible personal property accounts, as discussed. Director Kubiak seconded the motion, which passed by unanimous vote.

ADOPT RESOLUTION NOMINATING CANDIDATE FOR BOARD OF DIRECTORS ELECTION FOR FORT BEND COUNTY APPRAISAL DISTRICT

The Board considered adopting a Resolution Nominating a Candidate to be Placed on the Ballot for the Board of Directors of Fort Bend County Appraisal District. After discussion the Board concurred not to take action.

ADOPT RESOLUTION REGARDING DEVELOPMENT STATUS FOR 2023 TAX YEAR

Mr. Thompson discussed the "truth-in-taxation" property tax calculations and tax levy process for water districts in Chapter 49, Texas Water Code. He stated that there are three main categories for water districts, based on a district's development status and/or tax rate. Mr. Thompson reviewed the definitions for each of the three categories and said the Board must annually determine the District's category for that tax year and follow the associated notice and levy provisions in the Texas Water Code. He stated that the legislation allows a "developed" district to use alternate notice and calculation procedures following a declared disaster.

Discussion ensued regarding the District's development status. After fully considering relevant data, information, and statutory definitions, the Board determined that the District is a Developed District for the 2023 tax year.

Following review and discussion, Director Kubiak moved to adopt a Resolution Regarding Development Status for 2023 Tax Year establishing the District as a Developed District for the 2023 tax year, pursuant to Section 49.23602, Texas Water Code, and direct that the Resolution be filed appropriately and retained in the District's official records. Director Cary seconded the motion, which passed unanimously.

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RESOLUTION ESTABLISHING DIRECTOR FEES OF OFFICE AND DISTRICT REIMBURSEMENT POLICY

Mr. Thompson stated that House Bill No. 2815, which became effective on June 18, 2023, sets the maximum water district director fees of office at the per diem amount set by the Texas Ethics Commission for members of the legislature. He noted that, pursuant to House Bill No. 2815, the current maximum amount for director fees of office is \$221.00, and going forward, the maximum amount automatically will be indexed for inflation. After discussion, the Board concurred for the effective date of the increase for Director per diems to be June 18, 2023.

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.

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

The Board discussed the AWBD summer conference and the upcoming winter conference. After discussion, Director Cary moved to authorize reimbursement of the eligible conference expenses to Directors who attended the AWBD summer conference and authorize Board members to attend the AWBD winter conference in Dallas, Texas from January 19-20, 2024. 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.

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 97%.

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 have been completed.

Ms. Steadman reviewed the results of the valve survey. She then presented a proposal in the amount of \$12,600.00 for the recommended valve repairs. A copy of the survey and proposal are attached to the operator's report.

Ms. Steadman reviewed the results of the sanitary sewer manhole survey. She then presented a proposal in the amount of \$40,350.00 for the recommended sanitary sewer manhole repairs. A copy of the survey and proposal are attached to the operator's report.

UPDATE ON SMART METER INSTALLATION

Ms. Steadman stated the smart meters have been delivered and are being installed.

Ms. Steadman discussed four 8-inch Omni meters that were supposed to be retro-fitted for \$570 each, however the batteries for the meters were dead. She discussed two options, option one is to replace each meter with a smart meter in the amount of \$14,900.00 each, which she noted are in stock, or option two is to purchase a new head assembly in the amount of \$7,500.00 each, which she noted are on back order for 26 weeks.

After discussion, and based on the operator's recommendation, Director Cary moved to (1) approve the operator's report; (2) approve the proposal in the amount of \$12,600.00 for valve repairs; (3) approve the proposal in the amount of \$40,350.00 for sanitary sewers manhole repairs; and (4) approve the proposal in the amount of \$30,000.00 for a new head assembly on four eight-inch meters, as discussed. 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

Director Cleland discussed the personnel changes at the LMA.

DISCUSS SECURITY REPORTS

Director Kubiak discussed an increase in activity in the District due to children being out of school and the increased traffic in neighborhoods due to construction on Grand Parkway.

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

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After discussion, Director Kubiak moved to (1) approve the security reports; and (2) authorize payments to District officers per the contract guidelines. Director Cary 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.

Mr. Thompson discussed alternative garbage collection service options, as requested by the Board.

COMMUNITY IMPROVEMENTS

The Board discussed possible funding opportunities and collaboration with the Cinco Ranch Homeowners Association ("HOA") regarding same.

The Board discussed having a special meeting to discuss community project funding opportunities.

DISCUSS NOISE WALLS

Director Cleland discussed his attendance at the June 22nd and June 30th meetings to discuss the Fort Bend County noise wall project and turning lanes project.

REPORT ON LEGISLATIVE MATTERS

Mr. Thompson reviewed the Capital Report for the 88th Regular Session of the Texas Legislature.

EXECUTION OF AMENDMENT TO INFORMATION FORM

Mr. Thompson reported that pursuant to House Bill No. 2816, the required language for the District's Information Form and the form of Notice to Purchasers to be provided by sellers of property in the District has been updated. He also stated that the Notice to Purchasers is now required to be posted online. The Board then considered authorizing execution of an updated Amendment to Information Form. Mr. Thompson explained that the District is required to file the Amendment to Information Form in the Official Public Records of Real Property of Fort Bend County and with the Texas Commission on Environmental Quality ("TCEQ").

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After review and discussion, Director Cary moved to authorize execution of the Amendment to Information Form and to authorize filing with the TCEQ and Fort Bend County. Director Kubiak seconded the motion, which passed unanimously.

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 August 14, 2023, at 6:00 p.m., and a special meeting on August 21, 2023, at 6:00 p.m., both 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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