

# DRAFT

## MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 12

August 14, 2023

The Board of Directors (the “Board”) of Cinco Municipal Utility District No. 12 (the “District”) met in regular session on August 14, 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 were Craig Rathmann of Rathmann & Associates, L.P. via teleconference; 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, INCLUDING ADOPT RESOLUTION REGARDING PUBLIC COMMENTS POLICY

There were no public comments. Mr. Thompson discussed the District’s current public comments policy. The Board concurred to make no changes to the current policy, which includes a maximum of seven members of the public to speak for up to three minutes each.

### DISCUSS AGENDA FORMAT AND AUTHORIZE APPROPRIATE ACTION

Mr. Thompson stated the District can include a consent agenda item to encompass multiple agenda items to make efficient use of the meeting time. Discussion ensued regarding the specific agenda items to be included in the consent agenda item. Mr. Thompson stated he would bring a draft agenda example to the special meeting on August 21<sup>st</sup> for review.

## APPROVE MINUTES

The Board considered approving the minutes from the July 10, 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. 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 99.54% 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 approve the tax assessor/collector's report, and payment of the tax bills. Director Kubiak seconded the motion, which passed by unanimous vote.

## SET PUBLIC HEARING DATE AND AUTHORIZE NOTICE OF PUBLIC HEARING REGARDING ADOPTION OF TAX RATE

The Board reviewed a copy of the tax rate analysis provided by Rathmann. Mr. Rathmann reviewed tax rate analysis reflecting the recommendation for the District to levy a 2023 contract tax rate of \$0.11 per \$100 of assessed valuation and a 2023 maintenance tax rate of \$0.10, based on the District's initial 2023 certified value of \$518,892,380.00, and \$11,359,475.00, representing the uncertified value under protest. A copy of the tax rate analysis is attached. The Board then discussed the District's operation and maintenance tax rate. Mr. Thompson discussed the two-step process for setting the District's tax rate.

Following review and discussion, Director Faulk moved to (1) set the public hearing date for September 11, 2023; and (2) authorize the tax assessor/collector to publish notice in the Houston Chronical and Katy Rancher of the District's meeting on September 11, to set the proposed 2023 total tax rate of \$0.22 per \$100 of assessed valuation, with \$0.11 allocated for contract tax, and \$0.11 allocated for operations and maintenance. Director Cary seconded the motion, which passed unanimously.

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## ADOPT RESOLUTION VOTING FOR WATER DISTRICT NOMINEE FOR ELECTION OF THE BOARD OF DIRECTORS OF THE FORT BEND CENTRAL APPRAISAL DISTRICT

Mr. Thompson reviewed a Resolution Voting for Director in the Board of Directors Election for the Fort Bend Central Appraisal District ("FBCAD") and reviewed with the Board a list of candidates running in the FBCAD Board of Directors Election. After review and discussion, the Board did not take action.

## 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 distributed and reviewed a draft budget for the fiscal year end September 30, 2024, a copy of which is attached to the bookkeeper's report.

After discussion, and based on the bookkeeper's recommendation, Director Faulk 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.

## 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 discussed revisions to the Environmental Protection Agency's Lead and Copper Rule and noted the information is under review. He stated the report is due to the Texas Commission on Environmental Quality ("TCEQ") by October 2024.

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.

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Mr. Duncan stated the Environmental Protection Agency, through the 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 Faulk 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 94%.

The Board discussed the Water Conservation Program, the District's status of the required points and the requirements to receive water credits. She noted the District has met the requirements for the 2022-2023 year and received the water credits.

Ms. Steadman updated the Board on the status of the valve repairs and stated they are in process.

Ms. Steadman updated the Board on the status of the sanitary sewer manhole repairs and stated they are in process.

Ms. Steadman requested that four delinquent accounts, in the total amount of \$508.64, be forwarded to collections.

Ms. Steadman discussed website notices to be posted on the District website, including information about the smart meter installation. She stated a draft notice will be sent to the attorney for review before posted on the District's website.

## UPDATE ON SMART METER INSTALLATION

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

After discussion, and based on the operator's recommendation, Director Cary moved to (1) approve the operator's report; and (2) authorize Inframark to forward four

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delinquent accounts in the total amount of \$508.64, to collections. 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.

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.

## COMMUNITY IMPROVEMENTS

The Board stated a special meeting will be held to discuss community project funding opportunities.

## DISCUSS NOISE WALLS

There was no discussion on this matter.

## ATTORNEY REPORT

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 to provide outreach services to residents regarding same, including town hall meetings.

## MEETING SCHEDULE

The Board concurred to have a special meeting on August 21, 2023, at 6:00 p.m., and the next regular meeting on September 11, 2023, at 6:00 p.m., both at the Cinco Ranch Residential Property 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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