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MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 12

September 12, 2022

The Board of Directors (the "Board") of Cinco Municipal Utility District No. 12 (the "District") met in regular session on September 12, 2022, 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 in person were Kathy Moran, a resident of the District; Collette Garcia of McGrath & Co., PLLC; John Savage, President of WillowFork Drainage District ("WFDD"); Tyson Duncan of AECOM; Rene Andel of Wheeler & Associates, Inc.; Jennifer Abad and Darrell Hawthorne of Municipal Accounts and Consulting, L.P. ("Municipal Accounts"); Missy Steadman of Inframark Water & Infrastructure Services ("Inframark"); and Harry Thompson and Kim Cannon-Griffin of Allen Boone Humphries Robinson LLP ("ABHR").

PUBLIC COMMENTS

Mr. Savage introduced himself to the Board and stated he is eager to continue the good relationship between the District and WFDD.

APPROVE MINUTES

The Board considered approving the regular minutes from August 8, 2022. After review and discussion, Director Cary moved to approve the regular and special meeting minutes. Director Kubiak seconded the motion, which passed unanimously.

ENGAGE AUDITOR TO PREPARE AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2022

Ms. Garcia reviewed an engagement letter with McGrath for audit preparation. She discussed the fees to conduct the audit for the fiscal year ending September 30, 2022, for an estimated fee of \$15,000, plus postage, printing, and delivery. After review and discussion, Director Cary moved to approve McGrath to conduct the audit for the

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fiscal year ending September 30, 2022, in the amount of \$15,000.00. The motion was seconded by Director Kubiak and carried unanimously.

WEBSITE MATTERS

There was no discussion on this matter.

UPDATE ON CENTRAL GREEN

Ms. Cannon distributed the Central Green events report prepared by Yvonne Arceneaux, a copy of which is attached. She noted that the rollover contribution from the previous year for the Central Green concert series, will be completely spent in 2022.

TAX ASSESSOR/COLLECTOR'S REPORT

Ms. Anzel reviewed the tax assessor/collector's report, with the Board, a copy of which is attached. She stated that 99.7% of the District's 2021 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.

CONDUCT PUBLIC HEARING REGARDING DISTRICTS TAX RATE, ADOPT ORDER LEVYING TAXES AND AUTHORIZE EXECUTION OF AMENDMENT TO INFORMATION FORM

Ms. Anzel stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2022 total tax rate of \$0.24.

The Board opened the public hearing. There being no comments from the public, the Board closed the public hearing.

The Board reviewed an Order Levying Taxes reflecting the proposed 2022 tax rate. Mr. Thompson then reviewed an Amendment to Information Form reflecting the tax rate and Mr. Thompson stated that the Amendment will be filed with the Texas Commission on Environmental Quality and recorded in the Official Public Records of Fort Bend County.

After review and discussion, Director Cary moved to: (1) adopt the Order Levying Taxes reflecting a total 2022 tax rate of \$0.24 per \$100 of assessed valuation, comprised of \$0.12 for the contract tax and \$0.12 for the operations and maintenance tax ; (2) authorize

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execution of the Amendment to Information Form; and (3) direct that the Order and Amendment be filed appropriately and retained in the District's official records. 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.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2023

Ms. Abad distributed and reviewed the draft budget for fiscal year end September 30, 2023. The Board and consultants discussed each line item and requested revisions.

After discussion and based on the bookkeeper's recommendation, Director Hurley moved to approve the bookkeeper's report and budget for fiscal year end September 30, 2023, as revised. Director Cary seconded the motion, which passed by unanimous vote.

AMENDMENT TO BOOKKEEPER SERVICES AGREEMENT

Mr. Hawthorne reviewed the Amended and Restated Bookkeeping Services Agreement with the Board and noted the fee increases between \$700.00 and \$1,000.00 per month and structure changes of the agreement. The Board discussed the District's investment accounts and lower than usual interest rates over the past year. After discussion, Director Hurley moved to approve the Amended and Restated Bookkeeping Services Agreement and direct that the Agreement be filed appropriately in the District's Official records. Director Cary seconded the motion, which carried by a vote of 4-1, with Director Cleland abstaining from the 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

Mr. Duncan stated no modifications are needed to the existing building's water or sewer lines located at 23501 Cinco Ranch Boulevard for a proposed Nando's Peri Peri.

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Mr. Duncan reported on reservations of capacity and utility commitment letters. He stated that Interplan Architects have requested additional coordination with Fort Bend County Drainage District (“FBCDD”) to resolve issues surrounding additional detention and certification from Cinco 12 that FBCDD is requesting for 23307 Cinco Ranch Boulevard.

PEDESTRIAN SIGNS AND TRAFFIC LIGHT COORDINATION NEAR CINCO RANCH HIGH SCHOOL

Mr. Duncan stated that TXDoT has agreed to include the recommended pedestrian plans at the intersection near Cinco Ranch High School. He noted the project has been delayed to January 2023.

After discussion, 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 was 94%.

The Board discussed the Water Conservation Program and the District’s status of the required points.

Ms. Steadman reviewed a proposal from Accurate Meter Supply for the purchase of smart meters. Discussion ensued regarding the cost of the smart meters and the benefits, specifically for the customers and accessibility to their usage. Ms. Steadman recommended that the District conduct a meter survey prior to purchasing of the smart meters.

Ms. Steadman discussed the North Fort Bend Regional Water Authority (“NFBRWA”) fee and recommended that the District pass through the increase as a calculation of the Authority’s fee plus 6.5% to customers and adopt an Amended Rate Order to reflect same.

After discussion, Director Cary moved to approve the operator’s report and approve an Amended Rate Order to reflect the change in the passing through of fees for the NFBRWA, as discussed. Director Kubiak seconded the motion, which carried unanimously.

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

Ms. Steadman stated that that there were two delinquent accounts for the month of August 2022 that remain unpaid, a copy of which is attached to the operator’s report.

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She 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 Hurley and passed 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 approve the security reports, and authorize payments to District officers per the contract guidelines. Director Cary seconded the motion, which carried by unanimous vote.

UPDATE ON FLOCK SECURITY CAMERA INSTALLATION

Director Kubiak stated that Flock Security has received conditional approval from Fort Bend County for the installation of the security cameras.

DISCUSS SECURITY ADVISOR POSITION AND IF APPROPRIATE, ACCEPT RESIGNATION OF DIRECTOR KUBIAK AND AUTHORIZE FUNDING OF SECURITY ADVISOR POSITION

Mr. Thompson stated that WFDD is in support of Director Kubiak conducting a risk assessment for security services. He noted a full-time security advisor position by WFDD is not offered at this time. Mr. Thompson stated that WFDD will be holding security committee meetings and requested that Director Kubiak attend. After discussion, the Board concurred to authorize Director Kubiak to attend the security committee meetings on behalf of the Board.

DIRECTOR MATTERS INCLUDING DISCUSSION REGARDING VACANCY AND AUTHORIZE APPROPRIATE ACTION IF NECESSARY

There was no discussion on this matter.

COMMUNITY IMPROVEMENTS

The Board discussed the old security cameras and stated the Homeowners Association may be interested in utilizing them. Director Kubiak noted that Flock Security will not be removing the old security camera system or the poles. Discussion ensued regarding leaving the poles for additional lighting and just removing the security cameras.

CORPS OF ENGINEER'S UPSTREAM LITIGATION

There was no discussion on this matter.

MEETING SCHEDULE

The Board concurred to have the next regular meeting on October 10, 2022, at 6:00 p.m., at the Cinco Ranch Homeowners Association building located on Windemere Road.

CONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR TO SEEK LEGAL ADVICE

The Board convened in executive session at 8:40 p.m. Mr. Thompson and Ms. Cannon were present.

RECONVENE IN EXECUTIVE SESSION PURSUANT TO SECTION 551.071, TEXAS GOVERNMENT CODE, TO CONDUCT A PRIVATE CONSULTATION WITH ATTORNEY TO DISCUSS PENDING OR CONTEMPLATED LITIGATION, OR TO SEEK LEGAL ADVICE

The Board reconvened in regular session at 8:46 p.m. Following reconvening in open session, Director Cary moved to engage Feldman and Feldman as the District's legal counsel. Director Kubiak seconded the motion, which passed by a unanimous vote.

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

Secretary, Board of Directors

(SEAL)

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