

# DRAFT

## MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 12

September 11, 2023

The Board of Directors (the “Board”) of Cinco Municipal Utility District No. 12 (the “District”) met in regular session on September 11, 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 Tyson Duncan of AECOM; Rene Anadel of Wheeler & Associates, Inc.; Jennifer Abad of Municipal Accounts and Consulting, L.P. (“Municipal Accounts”); Missy Steadman and Dorothy Lavine 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.

### CONSENT AGENDA

Mr. Thompson offered Board members an opportunity to remove items from the consent agenda for individual discussion. Director Cary moved to approve all items on the consent agenda, and to direct that, where appropriate, items are filed appropriately and retained in the District’s official records, including the following: (1) the minutes from the August 14, 2023, regular Board meeting and the special minutes from the August 21, 2023 meeting; (2) the Central Green report; (3) engage auditor to prepare the audit for fiscal year ending September 30, 2023; and (4) acknowledge the automatic one-year renewal of the garbage services contract with Texas Pride. Director Kubiak seconded the motion, which carried by unanimous vote. The Central Green report and the auditor’s letter is attached.

## ITEMS REMOVED FROM CONSENT AGENDA

There were no items removed from the consent agenda.

## 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 99.93% 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.

## 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.

## ACCOUNTING AND USE OF DISTRICT REVENUES

Director Cleland reviewed a detailed history of the District's operating expenses and the use of Strategic Partnership Agreement ("SPA") funds on special projects and as a supplement to the operating expenses. He noted the District does use SPA funds to supplement the operating costs of the District, which enables the District to have a lower tax rate for operating and maintenance.

Ms. Abad then distributed and reviewed a draft budget for the fiscal year ending September 30, 2024, a copy of which is attached to the bookkeeper's report. The Board discussed the line items for the operator, tax rate and auditor and increases too same. Discussion ensued regarding the format of the bookkeeper's report including the addition of a separate column for tracking SPA funds and the bookkeeper opening a separate bank account for those funds.

After discussion, and based on the bookkeeper's recommendation, Director Cary moved to approve the bookkeeper's report, and payment of the bills; (2) adopt the budget for fiscal year end September 30, 2024, as revised; and (3) authorize the bookkeeper to open a separate bank account for tracking SPA funds. Director Kubiak seconded the motion, which carried by unanimous vote.

# DRAFT

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

Ms. Andel stated that notice was published of the public hearing to be held at today's meeting regarding adoption of the District's proposed 2023 total tax rate of \$0.22.

The Board opened the public hearing regarding the District's tax rate. There being no comments from the public, the Board closed the public hearing.

The Board reviewed an Order Levying Taxes reflecting the proposed 2023 tax rate. The Board 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 2023 tax rate of \$0.22 per \$100 of assessed valuation, comprised of \$0.11 for the contract tax and \$0.11 for the operations and maintenance tax ; (2) authorize 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.

## ENGINEER'S 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.

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 Cary moved to approve the engineer's report. Director Kubiak seconded the motion, which carried by unanimous vote.

## OPERATOR'S REPORT

Ms. Steadman introduced Ms. Lavine to the Board and stated she would be the representative for Inframark attending the meetings in the future.

Ms. Steadman reviewed the operator's report, a copy of which is attached. She stated water accountability for the previous month 98%

The Board discussed the Water Conservation Program, the District's status of the required points and the requirements to receive 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 98% complete.

Ms. Steadman stated that the North Fort Bend Regional Water Authority ("NFBRWA") will not be increasing their water rates for the 2024 year. She also noted that the NFBRWA has initiated Stage I of the Drought Contingency Plan.

Ms. Steadman discussed the Board's request for a sidewalk survey in Cinco Ranch and stated the survey cost is based on time and materials and could begin in January. The Board noted that there are a few sidewalk areas along Peek Road and Westheimer near the lake in Cinco Municipal Utility District No. 2 that could be a safety hazard and requested those areas be addressed quickly.

## 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 approve the operator's report and authorize the sidewalk survey, 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.

## DISCUSS SECURITY REPORTS

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

Director Kubiak stated that officer Fowler will be attending a required course for the Fort Bend County Sheriff's office and requested a temporary officer, officer Josh Dale, be contracted with the District for patrol temporarily and on an as needed basis going forward to maintain four officers on patrol. He noted that Officer Dale can patrol on a motorcycle or in an SUV as needed and will be paid according to the letter agreement. Discussion ensued.

After discussion, Director Kubiak moved to (1) approve the security reports; (2) authorize payments to District officers per the contract guidelines; and (3) approve the Security Letter Agreement for officer Joshua Dale, as discussed. Director Cary seconded the motion, which carried by unanimous vote.

## COMMUNITY IMPROVEMENTS

Mr. Thompson discussed the proposed projects that the District has expressed interest in partnering with Willow Fork Drainage District. Discussion ensued regarding scheduling a special meeting with Willow Fork Drainage District and Katy ISD to discuss the projects.

## MEETING SCHEDULE

The Board concurred to have the next Board meeting on October 9, 2023.

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

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Secretary, Board of Directors

(SEAL)

## LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Central Green report.....	1
Auditor's letter.....	1
Tax assessor/collector's Report .....	2
Bookkeeper's Report.....	2
Engineer's Report.....	3
Operator's Report.....	4
Security Reports .....	5