

# DRAFT

## MINUTES CINCO MUNICIPAL UTILITY DISTRICT NO. 12

December 12, 2022

The Board of Directors (the "Board") of Cinco Municipal Utility District No. 12 (the "District") met in regular session on December 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:

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 Aimee Raley of Texas Pride Disposal; Tyson Duncan of AECOM; Rene Andel of Wheeler & Associates, Inc.; Mark Burton and Jennifer Abad 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

There were no public comments.

### APPROVE MINUTES

The Board considered approving the minutes from the November 14, 2022, Board 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

There was no discussion on this matter.

## 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 3.32% 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.

Ms. Anadel requested approval of one additional check, check no. 1081 payable to Fort Bend Central Appraisal District, in the amount of \$2,514.76.

After discussion and based on the tax assessor/collector's recommendation, Director Cary moved to approve the tax assessor/collector's report, payment of the tax bills, including the one additional check, as presented. 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.

Ms. Abad requested approval of four additional per diem checks, check no. 6295 in the amount of \$118.52, payable to Director Cleland, check no. 6296 in the amount of \$230.52, payable to Director Hurley, check no. 6297 in the amount of \$138.53, payable to Director Faulk and check no. 6298 in the amount of \$138.52, payable to Director Kubiak.

The Board discussed wire transfers as a form of payment in lieu of paper checks, specifically for Cinco Municipal Utility District No. 1 ("MUD No. 1") for pumpage and connection fees. Ms. Abad stated a request has been sent to MUD No. 1 regarding wire transfer payments.

The Board discussed auto deposits for per diem checks. Ms. Abad stated that all five Directors would have to agree to have the per diem checks auto deposited.

After discussion, and based on the bookkeeper's recommendation, Director Cary moved to approve the bookkeeper's report, and payment of the bills including the four additional checks, as presented. Director Kubiak seconded the motion, which carried by unanimous vote.

## DISCUSS BOOKKEEPER CONTRACT

Mr. Burton discussed the previously approved amendment to the bookkeeper's contract, including the increase in costs of operations and the unforeseen changes in interest rates on returns for investments.

## TRAVEL REIMBURSEMENT GUIDELINES AND DIRECTOR EXPENSES FOR THE ASSOCIATION OF WATER BOARD DIRECTORS WINTER CONFERENCE

Mr. Thompson discussed the upcoming Association of Water Board Directors Conference winter conference and travel guidelines for same.

## 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.

## PEDESTRIAN SIGNS AND TRAFFIC LIGHT COORDINATION NEAR CINCO RANCH HIGH SCHOOL

Mr. Duncan distributed and reviewed the Fort Bend County plans for the Grand Parkway frontage road project. Mr. Duncan discussed the lack of construction plans for the Northbound side of Grand Parkway but noted significant improvements to the Southbound side. He noted the main lanes on Grand Parkway are in the final design phase and the frontage road project is at 95% design.

Director Cleland discussed that the latest information received from TxDOT shows the second barriers will be constructed by TxDOT, but require the consent of the adjacent landowners.

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 95%.

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

Ms. Steadman discussed the District's current fees in the District's Rate Order. She reviewed a comparison of rate order fees and the District's charges by the operator

and discussed the proposed updates to the District's Rate Order. A copy of the analysis is attached to the operator's report.

Mr. Thompson discussed rules adopted by the Public Utility Commission of Texas ("PUC") to implement legislation prohibiting certain retail water or sewer providers from imposing late fees or terminating service for nonpayment of water bills that are due during a period when the previous day's highest temperature and the predicted temperature for the next 24 hours is not higher than 28 degrees Fahrenheit. Mr. Thompson reviewed and discussed the one-time notice of the requirements that must be sent to utility customers by January 31, 2023. Mr. Thompson stated the District's Rate Order will need to be updated to incorporate the provisions of the PUC rules, including terms for customers to request and receive a payment schedule for payment of bills due during such an extreme weather emergency.

## REVIEW METER SURVEY RESULTS AND DISCUSS SMART METER PURCHASE AND INSTALLATION AND REVIEW PROPOSALS FOR SAME

Ms. Steadman stated the meter survey is complete and reported on the results. She then reviewed a proposal from Accurate Meter & Supply in the amount of \$285,737.00 for the purchase of smart meters, a copy of which is attached to the operator's report. She noted the installation of the smart meters for residential customers can be completed by Inframark at an additional cost. Discussion ensued regarding commercial smart meters and installation of same by a third party. After discussion, the Board concurred to request a proposal for the installation of the residential smart meters by Inframark and the installation of commercial meters by a third party for review at the next Board meeting.

After discussion, and based on the operator's recommendation, Director Cary moved to (1) approve the operator's report; and (2) approve the proposed operator fee updates, and adopt the amended Rate Order reflecting same, including the updated language regarding extreme weather conditions and direct that the amended rate order be filed appropriately and retained in the District's official records. 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 there was one delinquent account for the month of November 2022. After discussion the Board concurred to not terminate the delinquent account.

## UPDATE ON LANDSCAPE MAINTENANCE ASSOCIATION ("LMA") LANDSCAPE IMPROVEMENTS

Director Cleland reported that Charlie Norton is no longer employed with the Cinco Ranch Property Association.

## 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 completed the installation of the security cameras.

## COMMUNITY IMPROVEMENTS

Director Cleland discussed pickle ball courts and the Homeowner Association's possible interest in renovating the tennis courts into pickle ball courts. Discussion ensued regarding the Districts possible contribution to the renovation project.

## DISCUSS NOISE WALLS

The Board discussed the status of the noise walls, as reported at the November 30<sup>th</sup> TxDOT meeting.

## DISCUSS GARBAGE MATTERS

Ms. Raley distributed and reviewed an increase request letter for garbage and recycling services. She stated the requested increase is 11.6 percent and noted that the annual CPI is included in the 11.6 percent. A copy of the request letter is attached. Ms. Raley stated the current rate would increase from \$20.50 to \$22.88 per household. Discussion ensued regarding the increase request and the cost increases for Texas Pride's operations. After discussion, Director Cary moved to approve the rate increase of \$2.38 per household, for total rate of \$22.88 and the related amendment to the contract with Texas Pride for same. Director Kubiak seconded the motion, which carried by unanimous vote.

The Board then discussed the District's rate order and an increase to the flat sewer rate to incorporate the garbage rate increase of \$2.38 per household. After

discussion, Director Cary moved to approve the amended rate order, as discussed. Director Kubiak seconded the motion, which carried by unanimous vote.

## CORPS OF ENGINEER'S UPSTREAM LITIGATION

The Board deferred discussion on this matter to be held in executive session.

## MEETING SCHEDULE

The Board concurred to have the next regular meeting on January 9, 2023, at 6:00 p.m., at the Cinco Ranch Homeowners 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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