

BARKER-CYPRESS MUNICIPAL UTILITY DISTRICT**Minutes of Meeting of Board of Directors****January 8, 2019**

The Board of Directors ("Board") of Barker-Cypress Municipal Utility District ("District") met at 1300 Post Oak Boulevard, Suite 1400, Houston, Harris County, Texas, on January 8, 2019, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted officers and members of said Board of Directors, as follows:

M. T. Marks, President
Chance Vinklarek, Vice President
Susan Skiles, Secretary
Darryl Davis, Assistant Secretary
Bill Grzanka, Assistant Secretary

and all of said persons were present, except Directors Grzanka and Skiles, thus constituting a quorum. Director Skiles entered later in the meeting as noted herein.

Also present was Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Chad Walker and Diego Burgos of Jones & Carter, Inc. ("J&C"); Ray Arce of Wheeler & Associates, Inc. ("Wheeler"); Kayla Crigger of Municipal Accounts & Consulting, L.P. ("MA&C"); Kathryn Foss of Municipal Financial Services, L.P. ("MFS"); Syed Raza of 786 Z Rentals, LLC ("Z Rentals"); and Spencer Creed and Michelle Guild of Schwartz, Page & Harding, L.L.P. ("SPH"). Debbie Shelton of Masterson Advisors, LLC ("Masterson") entered later in the meeting as noted herein.

The President declared the meeting open for such business as might regularly come before it.

APPROVAL OF MINUTES

The Board considered approval of the minutes of its meeting held on December 11, 2018. Mr. Burgos requested that the minutes be revised to reflect that the Esperanza IV Apartments is the entity that will be dedicating a water line easement to the District, not the Green Meadows Apartments. Director Vinklarek noted missing punctuation on page 3. Upon discussion, Director Davis moved that the minutes of the December 11, 2018 meeting be approved, as revised. Director Vinklarek seconded said motion, which unanimously carried.

PUBLIC COMMENTS

The Board considered public comments. Mr. Raza addressed the Board requesting a reduction in the required deposit for the relocation of the District's water line located on Queenston Boulevard from \$20,000 to \$8,500. Mr. Walker stated that J&C's quote for the relocation was based upon recent proposals for similar work.

Director Skiles and Ms. Shelton entered the meeting at this time.

Mr. Raza noted that he is prepared to pay the approximate \$19,000 tap fee for the water line connection to his tract but did not anticipate an additional \$20,000 for the relocation of the District's water line. A discussion ensued regarding the District's receipt of the tap fee prior to any connection of Z Rental's project to the District's facilities. Upon discussion, Director Vinklarek moved that the water line relocation deposit be reduced to \$8,500, and that Inframark be authorized to make the tap connection upon receipt of the required tap fee, subject to Z Rentals' payment of all water line relocation costs actually incurred by the District. Director Davis seconded said motion, which unanimously carried.

Mr. Raza exited the meeting at this time.

DISTRICT WEBSITE

The Board deferred discussion of the District's website until Director Grzanka is present.

TAX ASSESSOR-COLLECTOR'S REPORT

Mr. Arce presented and reviewed with the Board the tax assessor-collector's report for the month of December 2018, including the checks presented for payment, a copy of such report being attached hereto as **EXHIBIT A**. After discussion on the matter, Director Skiles moved that said report be approved and that the checks identified in the report be approved for payment. Director Vinklarek seconded said motion, which unanimously carried. Mr. Arce also presented the Delinquent Collections Listing as of December 31, 2018, a copy of which is attached as part of **EXHIBIT A**.

DELINQUENT TAX ATTORNEY'S REPORT

The Board considered review of a Delinquent Tax Attorney's Report from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue"), attached hereto as **EXHIBIT B**. Mr. Creed reviewed the report with the Board. Upon review, the Board concurred that no action was required.

OPERATOR'S REPORT

Ms. Bonilla-Odums presented and reviewed with the Board the written Operations Report for December 2018, a copy of which is attached hereto as **EXHIBIT C**.

Ms. Bonilla-Odums reported that 135 delinquent letters were mailed out to residents in advance of today's meeting. She reported that Inframark recommends moving one (1) account in the total amount of \$321.79 to collections, and that one (1) account to be written off. Upon discussion, Director Davis moved that the one (1) account in the total amount of \$321.79 be moved to collections and one (1) account be written off as noted in the report. Director Vinklarek seconded said motion, which unanimously carried.

Ms. Bonilla-Odums advised that a sinkhole was reported at the Kids R Kids day care site which damaged the District's storm sewer line underneath. Mr. Walker noted that this storm sewer line is shared with adjacent municipal utility districts. Ms. Bonilla-Odums reported that Inframark has contacted Harris County to repair the storm sewer line, but that if they do not Inframark will do so on behalf of the District.

Ms. Bonilla-Odums reported that one booster pump motor at the Water Plant was replaced this week and that the other one will be replaced at the end of this month.

RATE ORDER

The Board next considered amendment of the District's Rate Order. Mr. Creed reported that the West Harris County Regional Water Authority will increase its surface water fee effective January 1, 2019, to \$3.35 per 1,000 gallons. He stated that the Board has historically passed said increase through to District customers, including a 10% increase for water accountability. After discussion on the matter, Director Vinklerek moved that the District's Rate Order, attached hereto as **EXHIBIT D**, be amended effective January 1, 2019, to reflect a surface water fee in the amount of \$3.69 per 1,000 gallons, and that any and all prior Rate Orders be revoked. Director Skiles seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Mr. Burgos presented and reviewed with the Board a written Engineering Report dated January 4, 2019, a copy of which is attached hereto as **EXHIBIT E**, relative to the status of various projects within the District.

Following discussion on the report, Director Vinklerek moved i) that the December monthly maintenance invoices from the Lakes of Pine Forest Homeowners Association be paid, ii) that invoice no. 653 from Texas Hot Taps for the Lakes of Pine Forest ground settlement repair be paid, and that the Lakes of Pine Forest Homeowners Association be billed for its share of said costs, iii) that J&C be authorized to review the West Harris County Regional Water Authority ("WHCRWA") surface water transmission line drawings, but not issue a letter of no-objection until the requested deposit is received, iv) that the water line easement and water meter easement from Esperanza IV Apartments be prepared, accepted and recorded, upon receipt, and v) that all other action items reflected in such report be authorized, as requested. Director Skiles seconded said motion, which unanimously carried.

Mr. Burgos reported to the Board that J&C received plans from the Iglesia Casa Del Alfarero ("Iglesia Casa") without a deposit. He stated that Iglesia Casa started construction without approved plans and recommended that a Notice of Violation letter be issued. Mr. Burgos presented pictures and a prior letter to Iglesia Casa concerning prior construction activities without approval, a copy of which is attached hereto as **EXHIBIT F**. Upon discussion, Director Davis moved that J&C be authorized to send a Notice of Violation Letter to Iglesia Casa on behalf of the District, indicating potential penalties if the violations are not corrected. Director Vinklerek seconded said motion, which unanimously carried. The Board requested that J&C require inspection of any underground facilities already constructed.

Mr. Burgos reported that Mr. Think Tran has requested the remaining balance of his deposit with the District be returned. He advised that Mr. Tran indicated that he is no longer in communications with the Christian Family Church or CenterPoint Energy for the dedication of an easement for the installation of power poles to serve his tract. Mr. Walker stated that he will follow up with Mr. Tran regarding the status of the tract.

Mr. Burgos reported that the WHCRWA denied the District's request for additional surface water capacity. He stated that it is J&C's understanding that WHCRWA's Surface Water Supply Project will be completed in 2022, at which time more capacity will be available.

Mr. Burgos presented to and reviewed with the Board a letter from Pioneer Engineering, LLC ("Pioneer"), concerning REME Homes, LP's development of the Hosanna Church site, including a request for annexation of the 21.60 acre tract, a copy of which is attached hereto as **EXHIBIT G**. A discussion ensued regarding the provision of water and sanitary sewer to serve the tract. The Board concurred that it is not interested in providing sanitary sewer service only and authorized J&C to notify Pioneer that the District's feasibility study for the tract is currently on hold pending the availability of additional water capacity. Mr. Burgos reported that the costs for the construction of the water line loop in the area were included in the recent bond issue and inquired if J&C should proceed with the design of same. Upon discussion, the Board concurred to authorize J&C to begin design of the water line loop.

The Board deferred consideration of J&C's new form of engineering contract until its next meeting.

UTILITY COMMITMENT REQUESTS

The Board considered the issuance of utility commitment/requests received by the District during the prior month. Mr. Burgos reported that the District received a commitment request from Cuartas Business Park, LLC, for development of an office/warehouse on its 3.258 acre tract located at 6530 Queenston Boulevard. He stated that the District has capacity available to serve the tract and J&C recommends approval of said request. Upon discussion, Director Davis moved that the request be approved, SPH be authorized to prepare a utility commitment for Cuartas Business Park, LLC, and that the President be authorized to sign same. Director Skiles seconded said motion, which unanimously carried.

DESIGN OF PARK AND TRAIL FACILITIES ALONG AREA DRAINAGE CHANNELS

Mr. Burgos reported that J&C will schedule a meeting this month with Directors Vinklarek and Davis to review the preliminary layout of the park and trail facilities. He stated that the District has not yet received a revised agreement from the Harris County Flood Control District ("HCFCD"), which must be in place prior to construction. Mr. Burgos further stated that the Quitclaim Deed from American General Realty Investment Corp. and easement from from Westminster Village Homeowners Association ("Westminster") must be recorded prior to HCFCD's approval of the design plans. Upon discussion, Director Vinklarek moved to ratify the District's prior acceptance of the Quitclaim Deed and to accept the Recreational Use Easement

from Westminster upon receipt. Director Skiles seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Ms. Crigger reviewed with the Board a bookkeeping report, a copy of which is attached hereto as **EXHIBIT H**, including the checks presented for payment. After discussion on the matter, it was moved by Director Davis that said report and the various payments be approved, as noted in said report. Director Vinklarek seconded said motion, which unanimously carried.

Ms. Crigger reported that David Baños will attend future meetings of the District on behalf of MA&C.

WASTE DISPOSAL AGREEMENT WITH BEAR CREEK ESTATES CUSTOMERS

Ms. Crigger advised she will review the Phegley account to determine if a payment was received this month.

Mr. Creed presented to and reviewed with the Board an Assignment and Assumption Agreement ("Assignment") for the Waste Disposal Agreement for Lot No. 22 (former Wes Schott, III property), a copy of which is attached hereto as **EXHIBIT I**. Upon review, Director Vinklarek moved that the Assignment be approved and the President be authorized to execute same on behalf of the Board and District. Director Skiles seconded said motion, which unanimously carried.

SECURITY REPORT FROM HARRIS COUNTY SHERIFF'S OFFICE; INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT SERVICES

The Board deferred consideration of its monthly security report dated December 2018 from the Harris County Sheriff's Office ("HCSO"), after noting that said report was not received. Mr. Creed stated that said report will be forwarded to the Board after today's meeting, and that a copy of same will be attached hereto as **EXHIBIT J**. Director Davis reported that he did not have anything additional to report to the Board concerning security-related activities within the District.

Mr. Creed presented and reviewed with the Board an Interlocal Agreement for Law Enforcement Services between the Harris County Sheriff's Office and the District ("Interlocal Agreement") for the term February 28, 2019 through February 29, 2020. He stated that SPH has reviewed the Interlocal Agreement and that there is no increase in costs for said 2019-2020 term. After discussion on the matter, Director Davis moved that the Interlocal Agreement be approved for the term ending February 29, 2020, and that the President be authorized to execute same on behalf of the Board and District. Director Skiles seconded said motion, which unanimously carried.

DISCUSSION REGARDING GLENCAIRN COMMUNITY IMPROVEMENT ASSOCIATION REQUEST FOR SOLID WASTE COLLECTION AND RECYCLING SERVICES

Mr. Creed reported to the Board that the Glencairn Community Improvement Association ("CIA") has advised it entered into a contract with Texas Pride Disposal Services for its solid waste collection.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Creed requested that the Board consider ratification of the submission of a District Registration Form to the Texas Commission on Environmental Quality in connection with a change in the Agent for Notice from Barbara Wheeler to Catherine Wheeler. Upon discussion, Director Vinklarek moved that the submission of a District Registration Form be approved and ratified in all respects. Director Skiles seconded said motion, which unanimously carried.

Mr. Creed reported that the District's insurance coverages must be renewed and inquired as to the solicitation of proposals in connection therewith. After discussion on the matter, Director Davis moved that a proposal be requested initially from Arthur J. Gallagher only, for the District's property, comprehensive boiler and machinery, general liability, hired/non-owned automobile, commercial umbrella and directors and officers liability policies, Directors Position Schedule Bond, Public Employee Blanket Bond and Tax/Assessor Collector Bond for a term ending March 31, 2020. Director Skiles seconded said motion, which unanimously carried.

Mr. Creed reported that the Board's February 12, 2019, board meeting will commence at 11:00 a.m., to be followed by the bond luncheon.

CLOSED SESSION

The Board did not enter into Closed Session.

OTHER MATTERS

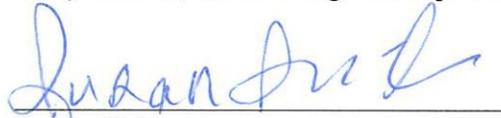
Ms. Shelton presented to and reviewed with the Board a proposed plan of financing for the refunding of the District's Series 2009 and 2010 bonds, a copy of which is attached hereto as **EXHIBIT K**. Upon discussion, the Board concurred in proceeding with the proposed refunding of said series of bonds.

Director Vinklarek requested that the EVO Metrics Report be presented to the Board at its March meeting.

Except as may be reflected above, there were no additional agenda items requested other than routine, ongoing matters.

ADJOURNMENT

There being no further business to come before the Board, upon motion made by Director Vinklerek, seconded by Director Skiles, and unanimously carried, the meeting was adjourned.



Susan Skiles
Secretary, Board of Directors

BARKER-CYPRESS MUNICIPAL UTILITY DISTRICT
EXHIBITS

January 8, 2019

- A. Tax Assessor-Collector's Report; Delinquent Collections Listing
- B. Delinquent Tax Report
- C. Operator's Report
- D. Rate Order
- E. Engineer's Report
- F. Exhibit of Iglesia Casa Del Alfarero
- G. Correspondence from Pioneer Engineering, L.L.C.
- H. Bookkeeper's Report
- I. Waste Disposal Agreement Assignment and Assumption Agreement (Lot No. 22)
- J. Harris County Sheriff's Office December 2018 Report
- K. Proposed plan of financing for Series 2019 Refunding Bonds