

BARKER-CYPRESS MUNICIPAL UTILITY DISTRICT

Minutes of Meeting of Board of Directors

August 13, 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 August 13, 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 Director Grzanka, thus constituting a quorum.

Also present was Mirna Bonilla-Odums of Inframark, LLC ("Inframark"); Chad Walker and Diego Burgos of Jones & Carter, Inc. ("J&C"); Caryn Adams of Wheeler & Associates, Inc. ("Wheeler"); David Baños of Municipal Accounts & Consulting, L.P. ("MA&C"); Kathryn Foss of Municipal Financial Services, LLC ("MFS"); Ransom Daly and Ron Judd representing the Glencairn Community Improvement Association (the "CIA"); Kris Soderberg representing Kraftsman Commercial Playgrounds and Water Parks; and Kevin Gieseke and Michelle Guild of Schwartz, Page & Harding, L.L.P. ("SPH").

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 July 9, 2019. Mr. Gieseke reported that Mr. Burgos of J&C requested revisions to its Engineer Report, including clarification of J&C's preparation of the District's Emergency Communications Plan indicating that there will be a lump sum amount of \$5,000, with estimated hourly costs totalling \$1,500. Upon discussion, Director Davis moved that the minutes of the July 9, 2019, meeting be approved, as revised. Director Vinklarek seconded said motion, which unanimously carried.

PUBLIC COMMENTS

The Board considered public comments. Mr. Judd addressed the Board and thanked them for the conversion of garbage collection services to Texas Pride Disposal. Mr. Walker stated that Mr. Daly and Mr. Judd have requested that the Board consider its request for water capacity in the construction of a splash pad at the new Glencairn Community Center. Mr.

Soderberg reported that the capacity request provided to J&C for the splash pad is a high estimate and actual water usage will be lower as the splash pad becomes more familiar to the District's residents. Mr. Soderberg reported that there is a motion activated component to the splash pad that will prevent water from continually flowing. Further, Mr. Soderberg stated that the CIA may consider adjusting the quantity of water that is being used while the splash pad is activated.

Mr. Walker stated that the District is not fully-built out and that there are several tracts within the District that not required but may require in the future water capacity from the District. He reminded the Board that the District only has one water well and that the West Harris County Regional Water Authority ("Authority") has notified the District that the Authority will not provide the District with an amended water supply agreement for additional surface water at this time. Mr. Soderberg reported that if high water usage is a concern, then the CIA can install a filtration and recycling system on the splash pad that will utilize less water. He noted that long-term maintenance costs will need to be considered with the addition of such a filtration and recycling system. Mr. Gieseke inquired as to how the CIA will pay for the increase in water usage associated with the use of the splash pad. Mr. Daly stated that the CIA has performed a water analysis as to the potential increase in its water bill while the splash pad is in use. Mr. Walker recommended that the District review its daily capacity usage and consider preparing a letter agreement with the CIA to impose restrictions if a certain amount of water usage is exceeded. Mr. Walker recommended that the CIA amend its water capacity request to closer to actual predicted use. Mr. Gieseke stated that SPH, the CIA and J&C will work together to determine a more accurate daily water capacity usage. The Board concurred with these recommendations.

Mr. Daly, Mr. Judd and Mr. Soderberg exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Adams presented and reviewed with the Board the tax assessor-collector's report for the month of July 2019, including the checks presented for payment, a copy of such report is attached hereto as **EXHIBIT A**. After discussion on the matter, Director Vinklarek moved that said report be approved and that the checks identified in the report be approved for payment. Director Davis seconded said motion, which unanimously carried.

Ms. Adams presented to and reviewed with the Board an Uncollectible Account List, a copy of which is attached hereto as **EXHIBIT B**. Upon review, Director Vinklarek moved that the accounts on the Uncollectible Account List be moved to the uncollectible roll. Director Davis seconded said motion, which unanimously carried.

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 C**. Mr. Gieseke reviewed the report with the Board. Upon review, the Board concurred that no action was required.

CONTINUING DISCLOSURE REPORT

Mr. Gieseke stated that the District's disclosure counsel is in the process of finalizing the District's Annual Financial and Operating Report and will file the report on behalf of the District by the due date.

EVO REPORT

Ms. Foss presented and reviewed with the Board an updated EVO Report prepared by Municipal Financial Services, LLC ("MFS"), a copy of which is attached hereto as **EXHIBIT D**. Upon review, the Board concurred that no action was required.

Ms. Foss exited the meeting at this time.

OPERATOR'S REPORT

Ms. Bonilla-Odums presented and reviewed with the Board the written Operations Report for July 2019, a copy of which is attached hereto as **EXHIBIT E**.

Ms. Bonilla-Odums reported that 120 delinquent letters were mailed out to residents in advance of today's meeting. She requested authorization to forward one (1) delinquent account in the total amount of \$104.40 to collections, as reflected in the operator's report. After discussion on the matter, Director Davis moved that the one (1) listed account in the total amount of \$104.40 be turned over for collection, as recommended. Director Skiles seconded said motion, which unanimously carried.

A discussion ensued regarding the Maricela Gonzales delinquent account in the amount of \$1,611.02. Ms. Bonilla-Odums stated that Inframark contacted her regarding the high water usage and that Ms. Gonzales stated that her children have drained the swimming pool twice which resulted in the high water bill.

Mr. Gieseke discussed S.B. 239 with the Board, which requires the District to include the following statement on the District's bill to customers:

For more information about the district, including information about the district's board and board meetings, please go to the Comptroller's Special Purpose District Public Information Database at <https://spdpid.comptroller.texas.gov> or the district's website at www.barkercypressmud.org.

In this regard, he advised the Board that Inframark will add said language to the District's water bill to customers beginning in September 2019.

Ms. Bonilla-Odums reported that the District is still waiting on Harris County to perform the repairs of the storm sewer located on Kieth Harrow Boulevard.

Ms. Bonilla-Odums reported that the manhole/sidewalk repair at 17731 Windsor Grove is on hold pending J&C's completion of the manhole survey.

ENGINEER'S REPORT

Mr. Burgos presented and reviewed with the Board a written Engineering Report dated August 9, 2019, a copy of which is attached hereto as **EXHIBIT F**, relative to the status of various projects within the District.

Mr. Burgos reported to the Board that CenterPoint Energy planted a power pole through the District's sanitary sewer line that serves the Panda Wellness Center and Iglesia Restauracion en Jesucristo. He stated that J&C notified CenterPoint Energy of the issue and is waiting for a response.

Mr. Burgos reported that J&C received one proposal for the concrete shelf repair at the Lakes of Pine Forest Storm Water Quality Pond in the amount of \$7,500. He stated that this amount seemed high and that after J&C's request for a proposal Inframark presented a proposal in the amount of \$4,000, and will perform the repair under its contract with the District. Consequently, a separate Texas Ethics Commission Form 1295 is not required.

Mr. Walker reported that J&C continues to work with Harris County Flood Control District ("HCFCD") regarding the Hike and Bike Trail. He stated that the District is waiting for HCFCD to convey an easement relative to same on the east side of the U102-01-000 drainage channel.

Following discussion on the report, Director Vinklarek moved that i) Inframark be authorized to coordinate the concrete shelf repair to the Lakes of Pine Forest Storm Water Quality Pond, and ii) that all other action items reflected in such report be authorized, as requested, except item 14(b), which was to be deferred. Director Davis seconded said motion, which unanimously carried.

Mr. Burgos presented to and reviewed with the Board a proposed Rate Order amendment in connection with the tiered water structure for park and recreational water usage, a copy of which is attached hereto as **EXHIBIT G**. Mr. Gieseke stated that the Board will consider amendment of its Rate Order at its next meeting.

UTILITY COMMITMENT REQUESTS

The Board considered approval of utility commitment requests received by the District during the prior month. Mr. Gieseke presented to and reviewed with the Board a utility commitment for The Reserve at Queenston for the construction of a temple, community hall, retail, apartment and nursing home. He stated that J&C is recommending approval of capacity for said development. Upon discussion, Director Vinklarek moved that the utility commitment for The Reserve at Queenston be approved. Director Davis seconded said motion, which unanimously carried.

SALE OF DISTRICT'S 0.5774 ACRE TRACT OF LAND LOCATED ON QUEENSTON BOULEVARD

Mr. Gieseke reported that J&C contacted Rubelio Cuartas regarding his interest in buying the 0.5774 acre tract of land from the District. Mr. Gieseke stated that Mr. Cuartas is interested and that the District may obtain an appraisal of the tract and determine if there are any other taxing jurisdictions that will be affected by the proposed sale. Upon discussion, Director Davis moved that SPH be authorized to obtain an appraisal of the 0.5774 acre tract, and that Perdue be authorized to determine the taxing jurisdictions and prepare the required documentation for the District's sale of the tract. Director Vinklarek seconded said motion, which unanimously carried.

DESIGN OF PARK AND TRAIL FACILITIES ALONG AREA DRAINAGE CHANNELS

Mr. Gieseke reported that J&C discussed the park and trail facilities under the Engineer's Report.

BOOKKEEPER'S REPORT

Mr. Baños 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 Vinklarek that said report and the various payments therein be approved, as noted in said report. Director Skiles seconded said motion, which unanimously carried.

Mr. Baños next presented to and reviewed with the Board a Quarterly Investment Inventory Report ("Quarterly Report") for the period ending June 30, 2019, a copy of which is attached to the bookkeeping report. Upon review, Director Vinklarek moved that the Quarterly Report be approved as presented. Director Skiles seconded said motion, which unanimously carried.

Mr. Baños requested authorization for Inframark to have "view only" access to the District's lockbox in order to reconcile amounts to water bills that are received by Inframark. Upon discussion, Director Skiles moved that Inframark have "view only" access to the District's lockbox and that the President be authorized to execute an agreement in connection therewith. Director Vinklarek seconded said motion, which unanimously carried.

WASTE DISPOSAL AGREEMENTS WITH BEAR CREEK ESTATES CUSTOMERS

Mr. Gieseke stated that discussion of the Bear Creek Estates accounts occurred during the Operations Report.

SECURITY REPORT FROM HARRIS COUNTY SHERIFF'S OFFICE

The Board considered its monthly security report dated July 2019 from the Harris County Sheriff's Office ("HCSO"), a copy of same being attached hereto as **EXHIBIT I**.

Director Davis reported that he did not have anything new to report at this time.

MEMORANDUM ON LEGAL REQUIREMENTS FOR DISTRICT'S WEBSITE

Mr. Gieseke presented to the Board a memorandum regarding the legal requirements for the District's website and other considerations, a copy of which is attached hereto as **EXHIBIT J**.

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Gieseke presented to the Board a memorandum concerning Senate Bill 944 (Relating to the Texas Public Information Act; House Bill 2840 (Relating to the Texas Open Meetings Act (the "OMA")); Senate Bill 239 (Relating to Information Required on Water Bills and District Websites); and House Bill 305 (Relating to District Websites). Mr. Gieseke discussed H.B. 2840 with the Board, which adds Section 551.007, Texas Government Code, and sets forth requirements regarding public comments at Board meetings. In this regard, He advised the Board that SPH will add an item regarding public comments on all agendas going forward, beginning with the agenda for the September 2019 Board meeting, to comply with H.B. 2840. He further stated that the issues of: (i) the order of that item on the agenda, such as whether it appears as the first item on the agenda, (ii) whether any additional language explaining the public's rights under H.B. 2840 will be added on every agenda, and (iii) the content of such additional language, if added, is still being discussed internally at SPH.

Mr. Gieseke discussed S.B. 944 with the Board, which modifies Chapter 552, Texas Government Code (the "Public Information Act"), and primarily clarifies existing law regarding local government records. He advised the Board that, beginning on September 1, 2019, public information, which includes information written, produced, collected, assembled or maintained in connection with the transaction of District business, created or received by Directors or former Directors on a privately owned device, including e-mails, notes, text messages, or other documents, is subject to a request for information under the Public Information Act. Such information must either be forwarded to SPH or a District server or preserved by the Director in its original form in a backup or archive and on their private device for the minimum amount of time required for the applicable information under the District's records retention schedules. Directors must turn over such information on their private devices within 10 days of a request for same from the District's Records Management Officer or be subject to discipline by the Board or any other applicable penalties provided by the Public Information Act or Texas law.

CLOSED SESSION

The Board did not enter into Closed Session.

OTHER MATTERS

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 Grzanka, seconded by Director Davis, and unanimously carried, the meeting was adjourned.



Susan Skiles
Secretary, Board of Directors

BARKER-CYPRESS MUNICIPAL UTILITY DISTRICT
EXHIBITS

August 13, 2019

- A. Tax Assessor-Collector's Report; Delinquent Collections Listing
- B. Uncollectible Accounts List
- C. Delinquent Tax Report
- D. EVO Report
- E. Operator's Report
- F. Engineer's Report
- G. Proposed Rate Order amendment to park and recreational water rates
- H. Bookkeeper's Report
- I. Harris County Sheriff's Office July 2019 Report
- J. Memorandum regarding Legal Requirements for the District's Website
- K. Memorandum regarding Senate Bill 944 (Relating to the Texas Public Information Act; House Bill 2840 (Relating to the Texas Open Meetings Act; Senate Bill 239 (Relating to Information Required on Water Bills and District Websites) ; and House Bill 305 (Relating to District Websites)