

BARKER-CYPRESS MUNICIPAL UTILITY DISTRICT**Minutes of Meeting of Board of Directors****September 10, 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 September 10, 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 Skiles, thus constituting a quorum. Director Skiles entered later in the meeting as noted herein.

Also present was Mirna Bonilla-Odums and Adrian Rodriguez of Inframark, LLC ("Inframark"); Chad Walker and Diego Burgos of Jones & Carter, Inc. ("J&C"); Sara Ahlschlager-Caudle of Wheeler & Associates, Inc. ("Wheeler"); David Baños and Charlie LaConti of Municipal Accounts & Consulting, L.P. ("MAC"); 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.

PUBLIC COMMENTS

The Board deferred consideration of public comments after noting that there was no one from the public in attendance.

APPROVAL OF MINUTES

The Board considered approval of the minutes of its meeting held on August 13, 2019. Mr. Gieseke reported that Mr. Burgos of J&C requested revisions to the minutes within the Engineer Report section, including clarification of the approval of a second utility commitment request from The Reserve at Queenston (Cy-Fair). Upon discussion, Director Vinklarek moved that the minutes of the August 13, 2019, meeting be approved, as revised. Director Grzanka seconded said motion, which unanimously carried.

ELECTRICITY POOL CONTRACT

The Board considered its participation in an electricity pool to be established by Acclaim Energy Advisors and MAC. In connection therewith, Mr. LaConti presented and reviewed with the Board an electricity market update report, a copy of which is attached hereto as **EXHIBIT A**. Mr. LaConti stated that the proposed contract term will begin at the end of the District's current

electricity contract and run through April 30, 2029, thereby securing a long term supply of electricity for the District. Mr. LaConti also presented to the board a Resolution Authorizing Entering into Contract for Pooled Purchase of Energy and Authorizing Execution of Related Documents, a copy of which is included in **EXHIBIT A**. He advised that MAC is requesting Mark Burton of MAC be authorized to secure pooled electricity pricing for the District, subject to the associated contract meeting the following conditions: (i) it have a price per kWh not to exceed \$0.03875, (ii) it have a term that runs from the end date of the District's current electricity contract through April 30, 2029, and (iii) it be in a form approved by SPH, as further detailed in the attached Resolution. Following discussion, Director Vinklerek moved that the Board approve the District's participation in the electricity pool, that Mark Burton of MAC be authorized to negotiate and execute the pool contract on behalf of the District, subject to the above conditions and with such authorization to expire on November 30, 2019, if no contract is finalized by such date, and that the attached Resolution be approved and adopted by the District. Director Davis seconded the motion, which unanimously carried.

Mr. LaConti exited the meeting at this time. Director Skiles entered the meeting at this time.

FINANCIAL ADVISOR'S RECOMMENDATION FOR THE DISTRICT'S PROPOSED 2019 TAX RATE

Mr. Gieseke advised that, pursuant to §49.236 of the Texas Water Code, as amended, the District is required to provide a notice containing certain tax-related information in connection with each meeting at which the adoption of a tax rate will be considered. Mr. Gieseke further advised that the information to be included in the notice is set forth in the Water Code and includes the proposed tax rate to be adopted. He advised that the District must provide the notice by either (1) publishing it at least once in a newspaper having general circulation in the District at least seven days before the date of the meeting at which the tax rate will be adopted, or (2) mailing it to each owner of taxable property in the District, at the address shown on the most recently certified tax roll of the District, at least 10 days before the date of the meeting.

Ms. Shelton discussed with the Board the implications of recently enacted Senate Bill 2, which is a property tax reform bill that will become effective January 1, 2020. She then presented and reviewed with the Board a Projected Cash Flow Analysis relative to a recommendation for the District's proposed 2019 debt service tax rate and maintenance tax rate, a copy of which is attached hereto as **EXHIBIT B**. Ms. Shelton advised that she is recommending a proposed 2019 debt service tax rate of \$0.45 per \$100 of valuation. A discussion ensued concerning the maintenance tax to be adopted by the District. After discussion on the matter, Director Vinklerek moved that the Board approve a proposed 2019 debt service tax rate of \$0.45 per \$100 of valuation and proposed maintenance tax rate of \$0.37 per \$100 of valuation, resulting in a combined tax rate of \$0.82 per \$100 of valuation, and that the District's tax assessor-collector be authorized to publish notice of the District's intention to adopt a 2019 tax rate at its next meeting in the form and at the time required by law. Director Skiles seconded said motion, which unanimously carried. The Board concurred that the notice should be published by the tax assessor-collector in *The Houston Chronicle*, which is a newspaper of general circulation in the District.

Ms. Shelton exited the meeting at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Ahlschlager-Caudle presented and reviewed with the Board the tax assessor-collector's report and delinquent collections report for the month of September 2019, including the checks presented for payment, copies of such reports are attached hereto as **EXHIBIT C**. After discussion on the matter, Director Grzanka moved that the tax assessor-collector's report be approved and that the checks identified in the report be approved for payment. Director Skiles 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 D**. Mr. Gieseke 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 August 2019, a copy of which is attached hereto as **EXHIBIT E**.

Ms. Bonilla-Odums reported that delinquent letters were mailed out to residents in advance of today's meeting. She requested authorization to forward three (3) delinquent accounts in the total amount of \$475.82 to collections, as reflected in the operator's report. After discussion on the matter, Director Vinklarek moved that the three (3) listed accounts in the total amount of \$475.82 be turned over for collection, as recommended. Director Skiles seconded said motion, which unanimously carried.

Ms. Bonilla-Odums reported that Marcel Duvall, a resident of the Glencairn subdivision, requested that he be removed from mandatory trash service and the associated billing. Mr. Gieseke stated that Mr. Duvall does not use the trash service and disposes of it through a third party. Ms. Bonilla-Odums stated that Mr. Duvall has accumulated late fees in the amount of \$10.00. A discussion ensued regarding the request. Upon discussion, Director Grzanka moved that (i) Mr. Duvall's request for removal of mandatory trash service and billing be denied, and that Inframark notify Mr. Duvall of same, and (ii) Inframark be authorized to remove late fees from Mr. Duvall's account relative to this month's late payment. Director Vinklarek seconded said motion, which unanimously carried.

Ms. Bonilla-Odums reported that Harris County has not responded to Inframark's inquiry as to 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. Mr. Burgos stated that J&C is reviewing the manhole videos that were received and has inquired as to the missing videos.

Ms. Ahlschlager-Caudle exited the meeting at this time.

Mr. Gieseke reported that the District was notified that Robert Thoma sold his lot in the Bear Creek Estates subdivision. Ms. Bonilla-Odums stated that Inframark will remove the delinquent fees from the account.

RATE ORDER

The Board considered amendment of its Rate Oder in connection with a tiered water structure for park and recreational water usage. Mr. Gieseke presented to the Board J&C's recommendation for a parks and recreational water rate structure, a copy of which is attached hereto as **EXHIBIT F**. Upon discussion, Director Vinklarek moved that the tiered water rate structure be approved, and that the District's Rate Order be amended as of October 1, 2019, and that any and all prior Rate Orders be revoked. Director Skiles seconded said motion, which unanimously carried. A copy of the amended Rate Order is attached hereto as **EXHIBIT G**.

ENGINEER'S REPORT

Mr. Burgos presented and reviewed with the Board a written Engineering Report dated September 5, 2019, a copy of which is attached hereto as **EXHIBIT H**, 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 to Inframark, 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 complete the point repair to the sanitary sewer line that was damaged by CenterPoint Energy, and ii) that all other action items reflected in such report be authorized, as requested, except approval for submission of revised plans for the walking trail improvements which was to be deferred. Director Skiles seconded said motion, which unanimously carried.

UTILITY COMMITMENT REQUESTS

The Board considered approval of utility commitment requests received by the District during the prior month. Mr. Burgos reported that J&C received a revised utility commitment request from Glencairn Community Improvement Association ("CIA") for 14,400 gallons per day ("gpd") of average daily flow water capacity, and 2,100 gpd of average daily flow sewer

capacity. Mr. Gieseke reported that the revised utility commitment will include language provisions to deter excess water usage, and that water service may be terminated if water usage exceeds the allocated capacity to the CIA. Mr. Burgos provided the Board with the water usage of the other homeowners association in the District. Upon discussion, Director Vinklarek moved that the revised utility commitment for Glencairn CIA be approved, including the language provisions discussed above. Director Skiles seconded said motion, which unanimously carried.

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

Mr. Gieseke reported that the District received an engagement letter from Integra Realty Resources for preparation of an appraisal of the District's 0.5774 acre tract of land in the amount of \$1,700. Upon discussion, Director Vinklarek moved that the President be authorized to execute the engagement letter with Integra Realty Resources in the amount of \$1,700. Director Skiles 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 I**, including the checks presented for payment. Ms. Bonilla-Odums reported that Inframark received an additional invoice last month from Texas Pride Disposal reflected in the bookkeeping report as check no. 11816, and will request clarification for same. After discussion on the matter, it was moved by Director Grzanka that said report and the various payments therein be approved, as noted in said report, with the exception of check no. 11816, which is to be held until the amount is verified by Inframark. Director Vinklarek seconded said motion, which unanimously carried.

WASTE DISPOSAL AGREEMENTS WITH BEAR CREEK ESTATES CUSTOMERS

Mr. Gieseke presented to and reviewed with the Board an Assumption of Waste Disposal Agreement by and between the District and Pink Dynasty, LLC, for its purchase of the Robert Thoma lot in the Bear Creek Estates Subdivision, a copy of which is attached hereto as **EXHIBIT J**. Upon discussion, Director Vinklarek moved that the Assumption be approved and accepted upon receipt. Director Skiles seconded said motion, which unanimously carried.

SECURITY REPORT FROM HARRIS COUNTY SHERIFF'S OFFICE

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

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

ATTORNEY'S REPORT

The Board next considered the Attorney's Report. Mr. Gieseke reported that the West Harris County Regional Water Authority will consider increasing its fees for surface water and groundwater reduction plan effective January 1, 2020. He stated that the Board will consider amendment of its Rate Order at the December Board meeting.

ELECTION OF OFFICERS

The next item to be considered was the reorganization of the officers of the Board. Director Marks expressed his desire to change his position on the Board. Nominations for the office of President were called. Director Vinklarek was nominated for that office, and there being no further nominations, they were closed. A vote was called, and upon motion duly made by Director Marks, seconded by Director Grzanka and unanimously carried, Director Vinklarek was duly elected President of the Board and District.

The Board next considered nominations for the office of Vice President. Director Davis was nominated for that office, and there being no further nominations, they were closed. A vote was called, and upon motion duly made by Director Vinklarek, seconded by Director Skiles and unanimously carried, Director Davis was duly elected Vice President of the Board and District.

The Board considered nominations for the office of Assistant Secretary. Director Marks was nominated for that office, and there being no further nominations, they were closed. A vote was called, and upon motion duly made by Director Vinklarek, seconded by Director Skiles and unanimously carried, Director Marks was duly elected as Assistant Secretary of the Board and the District.

DISTRICT REGISTRATION FORM

Mr. Gieseke next presented and reviewed with the Board a District Registration Form to be filed with the Texas Commission on Environmental Quality ("TCEQ") in connection with the reorganization of officers of the Board. After discussion on the matter, Director Skiles moved that the District Registration Form be approved and SPH be authorized and directed to file same with the TCEQ. Director Vinklarek seconded said motion, which unanimously carried.

LOCAL GOVERNMENT OFFICERS LIST

Mr. Gieseke reminded the Board that, pursuant to amendments to Chapter 176 of the Texas Local Government Code, the District is required to and does maintain a list of Local Government Officers, which includes the members of the Board and the District's Investment Officers in connection with conflict of interest disclosure requirements. After discussion on the matter, Director Vinklarek moved that the District update its list of local government officers as required by law. Director Skiles seconded said motion, which unanimously carried.

CLOSED SESSION

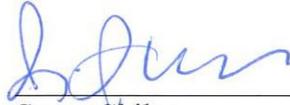
The Board did not enter into Closed Session.

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



Susan Skiles
Secretary, Board of Directors

BARKER-CYPRESS MUNICIPAL UTILITY DISTRICT
EXHIBITS

September 10, 2019

- A. Municipal Accounts & Consulting, L.P. Pool Electricity Market Update; Resolution Authorizing Entering Into Contract for Pooled Purchase of Energy and Authorizing Execution of Related Documents
- B. 2019 Tax Rate Recommendation
- C. Tax Assessor-Collector's Report; Delinquent Collections Listing
- D. Delinquent Tax Report
- E. Operator's Report
- F. Proposed Rate Order amendment to park and recreational water rates
- G. Rate Order
- H. Engineer's Report
- I. Bookkeeper's Report
- J. Assumption of Waste Disposal Agreement
- K. Harris County Sheriff's Office August 2019 Report