

**BARKER-CYPRESS MUNICIPAL UTILITY DISTRICT****Minutes of Meeting of Board of Directors****October 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 October 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:

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

and all of said persons were present, except Director Vinklarek, 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"); Sara Ahlschlager-Caudle of Wheeler & Associates, Inc. ("Wheeler"); Kayla Crigger of Municipal Accounts & Consulting, L.P. ("MAC"); Julie McKay and James Storm of Lakes of Pine Forest Homeowners Association ("HOA"); and Kevin Gieseke and Michelle Guild of Schwartz, Page & Harding, L.L.P. ("SPH").

In the absence of the President, the Vice President declared the meeting open for such business as might regularly come before it.

**PUBLIC COMMENTS**

The Board considered public comments. Mr. Storm addressed the Board requesting its consideration in the repair of certain sections of sidewalks that appear to have settlement issues adjacent to manholes in the District. He stated that District residents are concerned with potential trip hazards. Mr. Gieseke confirmed Mr. Storm's assertion that a homeowner is responsible for any repairs to the sidewalks that are located in front of his/her property. Mr. Burgos presented to and reviewed with the Board pictures of certain sidewalk settlement areas that are located adjacent to manholes in the District, a copy of which is attached hereto as **EXHIBIT A**. Mr. Storm presented Mr. Burgos with pictures that he took of sidewalk settlement areas in the District, which largely consisted of the same areas Mr. Burgos identified earlier. Mr. Burgos reported that J&C is still awaiting the remaining sanitary sewer videos to be provided by the contractor for the Sanitary Sewer Cleaning and Televising project and that he will review these settlement areas in connection once the final project report has been submitted by the contractor. Mr. Storm inquired how much more these areas will subside. Mr. Walker replied that there is no certain timeframe for subsidence to cease, or begin, and that there is no sure answer as to the cause.

Mr. Storm inquired as to the Board's schedule to perform de-silting of the Lakes of Pine Forest Storm Water Detention Ponds ("Ponds"). Mr. Burgos reported that the de-silting of the

Ponds are included in the District's Capital Improvement Plan for 2022, but that J&C continues to monitor the Ponds in the event that de-silting is required sooner.

Director Skiles entered the meeting during this discussion.

### **APPROVAL OF MINUTES**

The Board considered approval of the minutes of its meeting held on September 10, 2019. Upon review, Director Davis moved that the minutes of the September 10, 2019, meeting be approved, as presented. Director Skiles seconded said motion, which unanimously carried.

### **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 B**. 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 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.

### **CONDUCT PUBLIC HEARING REGARDING ADOPTION OF THE DISTRICT'S PROPOSED 2019 TAX RATE**

As the next order of business, the Board conducted a hearing regarding the imposition of the proposed debt service and maintenance tax rates for 2019. It was noted that there were no comments from taxpayers at the hearing. Upon discussion, Director Davis moved that the hearing be closed. Director Skiles seconded said motion, which unanimously carried.

### **CONSIDER THE LEVY OF THE DISTRICT'S 2019 DEBT SERVICE TAX RATE AND MAINTENANCE TAX RATE, AND THE ADOPTION OF AN ORDER IN CONNECTION THEREWITH**

The Board next discussed the setting of the 2019 tax rate. Ms. Ahlschlager-Caudle presented a publisher's affidavit of the publication of the District's notice of its 2019 tax rate. After discussion on the matter, Director Davis moved that: (i) the Board adopt the tax rate as proposed at the District's September 10, 2019, meeting and as reflected in the notice published in *The Houston Chronicle*; (ii) the Board levy a 2019 debt service tax rate of \$0.45 per \$100 of valuation and a 2019 maintenance tax rate of \$0.37 per \$100 of valuation, resulting in a 2019 total tax rate of \$0.82 per \$100 of valuation; and (iii) the Order Levying Taxes be adopted in connection therewith and the President be authorized to execute and the Secretary to attest same

on behalf of the Board and the District, copies of the publisher's affidavit and Order are attached hereto as **EXHIBIT D**. Director Grzanka seconded said motion, which carried unanimously.

**AUTHORIZE EXECUTION OF AN AMENDED DISTRICT INFORMATION FORM RELATIVE TO THE LEVY OF THE 2019 TAX RATE**

Mr. Gieseke next presented and discussed with the Board an Amendment to the District Information Form reflecting the levy of the District's 2019 tax rate. After discussion regarding said District Information Form, Director Davis moved that the Amendment to the District Information Form be approved and that the Board members present be authorized to execute same on behalf of the Board and District. Director Skiles seconded said motion, which carried unanimously.

**OPERATOR'S REPORT**

Ms. Bonilla-Odums presented and reviewed with the Board the written Operations Report for September 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 two (2) delinquent accounts in the total amount of \$109.61 to collections, as reflected in the Collection Accounts Listing in the Operations Report. After discussion on the matter, Director Davis moved that the two (2) listed accounts in the total amount of \$109.61 be turned over for collection, as recommended. Director Grzanka seconded said motion, which unanimously carried.

Ms. Bonilla-Odums reported that G-M Services performed a well performance test of water well no. 3 at Water Plant No. 3 and noted a decline in capacity, a copy of said testing is attached to the Operations Report. She stated that Inframark will closely monitor the water well for any further decline in capacity or increase in vibration.

Ms. Bonilla-Odums reported that District customers notified Inframark of an interruption in water service after Tropical Storm Imelda and, upon investigation, discovered a sinkhole along the south side of Kieth Harrow Boulevard near the Creative Years Early Learning Center. She stated that this is the exact area the District had notified Harris County Flood Control District ("HCFCD") continually for approximately a year of a small sinkhole and weakness caused by the HCFCD lines and culverts in the area and that the District's waterline collapsed in this location. Ms. Bonilla-Odums advised that Inframark repaired and encased the District's waterline. She reported that Harris County and HCFCD were notified of the incident and HCFCD has indicated that the storm sewer culvert repairs would be completed this month. Mr. Burgos stated that the District may want to invoice HCFCD for the District's waterline repair costs since HCFCD was initially notified of the need for storm sewer line and culvert repairs over a year ago. Upon discussion, the Board deferred action at this time.

**WASTE DISPOSAL AGREEMENTS WITH BEAR CREEK ESTATES CUSTOMERS**

Mr. Gieseke reported that the District was notified by Arthur McKenna, Lot No. 18 in the Bear Creek Estates subdivision, that he received correspondence from Inframark that he is delinquent in sanitary sewer payments. Mr. Gieseke reminded the Board that Mr. McKenna

chose to install a septic system on his property and that Inframark will make a note in its system regarding same.

A discussion ensued regarding vacant Lot No. 23 located at 17142 S. Ivy Circle. Mr. Gieseke requested that J&C review its records to determine if the sanitary sewer line to said address is capped and report back to the Board.

Mr. Gieseke reported that the Assumption of Waste Disposal Agreement ("Assumption") for Lot No. 12, former Robert E. Thoma, Jr. tract, is listed under a new entity, Pink Dynasty, LLC, and that a revised Assumption has been forwarded for execution and return.

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

### **ENGINEER'S REPORT**

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

Mr. Burgos reported that Inframark identified a significant leak at Pond A of the Lakes of Pine Forest Storm Water Quality Pond in a joint of the storm sewer box culvert. He stated that J&C obtained a proposal from Stanley, Spurling & Hamilton, Inc. ("SSH") in the amount of \$3,000 to inspect the leak and provide a recommendation of repair. He stated that, given the expediency of the situation, Director Vinklerek was notified of the proposal and approved SSH proceeding with the inspection. Mr. Burgos reported that SSH recommended that hydrophilic grout be injected into the concrete box culvert to seal the leak, and that J&C solicited bids for said work. He reported that Epoxy Design Systems, Inc. ("Epoxy Design") provided an epoxy design proposal in the amount of \$9,150 and can complete the repair by this weekend. Upon discussion, Director Grzanka moved that Epoxy Design be authorized to perform the repair in the amount of \$9,150. Director Skiles seconded said motion, which unanimously carried.

Mr. Burgos reported that SSH presented a further proposal from SSH in the amount of \$1,500 to inspect the Pond A storm sewer box culvert located to the east side right-of-way of Queenston Boulevard.

Following discussion on the Engineering Report, Director Grzanka moved that i) J&C be authorized to perform a mechanical and electrical inspection of the District's Water Plant in the amount of \$6,000, ii) Director Vinklerek's prior approvals of (a) the District's concurrence in its share of costs for the Langham Creek Utility District Sanitary Sewer CIPP rehabilitation and, (b) the engagement of SSH to perform the inspection of the Pond A storm sewer box culvert, be ratified and approved in all respects, iii) J&C be authorized to recalculate the tax-exempt tap fee for the Vida Covenant Church, subject to the District's receipt of a \$3,000 deposit and a written request for a Utility Commitment, iv) upon completion of repairs by HCFCD and Harris County to the storm sewer lines and box culverts along the south side of Kieth Harrow Boulevard near the Creative Years Early Learning Center, the District's attorney and engineer be authorized to request reimbursement from HCFCD or Harris County (as appropriate) for damages to the District's facilities, and, v) all other action items reflected in such report be authorized, as requested. Director Skiles seconded said motion, which unanimously carried.

## **UTILITY COMMITMENT REQUESTS**

The Board deferred consideration of utility commitment requests received by the District after noting that no new requests were received during the prior month.

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

Mr. Gieseke presented to and reviewed with the Board the appraisal for the District's 0.5774 acre tract of land. He stated that the tract has two encumbrances that need to be researched and that he will provide additional information upon receipt.

## **CLOSED SESSION**

Those in attendance, with the exception of the Board, Mr. Gieseke, and Ms. Guild, exited at this time. The Board President announced at 1:05 p.m. that the Board would convene in Closed Session, as authorized pursuant to Texas Government Code Section 551.072.

At 1:10 p.m., the Board reconvened in public session. Upon motion by Director Davis, seconded by Director Grzanka, the Board concurred that J&C will contact Cuartas Business Park to negotiate for the possible sale of the District's .5774 acre tract on behalf of the Board and District, under the parameters discussed under Closed Session, and that the District's delinquent tax collection attorneys, Perdue Brandon Fielder Collins and Mott, L.L.P., be authorized to handle the mechanics of the sale in the event it moves forward.

Mr. Storm, Ms. McKay, Mr. Burgos, Mr. Walker, and Ms. Crigger re-entered the meeting at this time.

## **DESIGN OF PARK AND TRAIL FACILITIES ALONG AREA DRAINAGE CHANNELS**

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

## **BOOKKEEPER'S REPORT**

Ms. Crigger reviewed with the Board a bookkeeping report dated October 8, 2019, a copy of which is attached hereto as **EXHIBIT G**, including the checks presented for payment therein. 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. Director Davis seconded said motion, which unanimously carried.

Ms. Crigger stated that David Baños has transitioned into the auditing division of MAC and that she will attend future meetings of the Board upon her return from maternity leave.

**COMPLIANCE BY DISTRICT WITH TEXAS GOVERNMENT CODE, CHAPTER 2265, RELATIVE TO ENERGY REPORTING REQUIREMENTS**

There was next a discussion regarding the District's compliance with Texas Government Code, Chapter 2265, relative to energy reporting requirements. Ms. Crigger presented and reviewed with the Board an Energy Report for the District for the period September 2018 through August 2019, a copy of which is attached to the Bookkeeper's Report.

**ORDER ESTABLISHING POLICY FOR INVESTMENT OF DISTRICT FUNDS AND APPOINTING INVESTMENT OFFICER**

The Board considered the review of its Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Investment Policy"), and the adoption of a Resolution in connection therewith. Mr. Gieseke presented for the Board's review an amended Investment Policy, and a Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer ("Resolution"), copies of which are attached hereto as **EXHIBIT H**. After discussion on the matter, Director Grzanka moved that the amended Investment Policy be approved to reflect the proposed changes, that the Board adopt the Resolution and that the President and Secretary be authorized to execute the Investment Policy and the Resolution on behalf of the Board and the District. Director Davis seconded said motion, which unanimously carried.

**SECURITY REPORT FROM HARRIS COUNTY SHERIFF'S OFFICE**

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

Director Davis stated that he did not receive the monthly report prior to today's meeting. He reported that the quarterly HCSO security meetings will begin in October. Mr. Gieseke stated that the monthly report will be forwarded to Director Davis.

**RESOLUTION ADOPTING PUBLIC COMMENT POLICIES AND PROCEDURES**

Mr. Gieseke presented to and reviewed with the Board a Resolution Adopting Public Comment Policies and Procedures ("Public Comment Resolution"), a copy of which is attached hereto as **EXHIBIT J**. Upon review, Director Grzanka moved that the Public Comment Resolution be approved. Director Skiles seconded said motion, which unanimously carried.

**ATTORNEY'S REPORT**

The Board next considered the Attorney's Report. Mr. Gieseke reported that the West Harris County Regional Water Authority ("Authority") Town Hall Meeting is scheduled for October 23, 2019, if any directors are interested in attending same. Mr. Gieseke noted that the District will consider amendment of its Rate Order in connection with the Authority's surface water fee and groundwater reduction plan fee increase effective January 1, 2020.

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



Susan Skiles  
Secretary, Board of Directors

BARKER-CYPRESS MUNICIPAL UTILITY DISTRICT  
EXHIBITS

October 8, 2019

- A. Pictures of sidewalk settlement near manholes in the District presented by Jones & Carter, Inc.
- B. Tax Assessor-Collector's Report; Delinquent Collections Listing
- C. Delinquent Tax Report
- D. Publisher's Affidavit of Tax Rate Notice; Order Levying Taxes
- E. Operator's Report
- F. Engineer's Report
- G. Bookkeeper's Report
- H. Resolution Regarding Review of Order Establishing Policy for Investment of District Funds and Appointing Investment Officer; Order Establishing Policy for Investment of District Funds and Appointing Investment Officer;
- I. Harris County Sheriff's Office September 2019 Report
- J. Resolution Adopting Public Comment Policies and Procedures