

**MINUTES OF MEETING OF THE
BOARD OF DIRECTORS**

June 13, 2018

STATE OF TEXAS §

COUNTY OF FORT BEND §

BIG OAKS MUNICIPAL UTILITY DISTRICT §

The Board of Directors (the "Board") of Big Oaks Municipal Utility District of Fort Bend County, Texas (the "District"), met in regular session, open to the public, on Wednesday, June 13, 2018, at the offices of Municipal Operations and Consulting, 1825 North Mason Road, Katy, Texas, a designated meeting place outside the boundaries of the District, whereupon, the roll was called of the members of the Board, to-wit:

Michael Abshire	-	President
Sonyan Stephens	-	Vice President
Jennifer Flores	-	Secretary
Mark Van Dyck	-	Assistant Secretary
David Johnson	-	Assistant Secretary

All members of the Board were present, thus constituting a quorum. Also present at the meeting were Drew Masterson and Amber Gibson with Masterson Advisors, LLC; Caleb Burson and Micah Burson with Accurate Meter & Supply; Bryan Disdier of Double Oak Erosion ("Double Oak"); Christina Perry of Myrtle Cruz, Inc., ("MCI") the District's Bookkeeper; Lina Loaiza of Bob Leared Interests, the District's tax collector ("TAC"); Mike Williams of Municipal Operations and Consulting ("MOC") or (the "Operator"); Angela Howes of IDS Engineering Group ("IDS"), the District's engineer (the "Engineer"); John Cannon, Attorney, and Tiffany Marquez, Paralegal, of Coats|Rose, P.C., the District's legal counsel.

WHEREUPON, the meeting was called to order and evidence was presented that public notice of the meeting had been given in compliance with the law. A copy of the posted agenda notice is attached hereto as Exhibit "A".

HEAR FROM THE PUBLIC

No comments were given.

CONSIDER TERMINATION OF EXISTING FINANCIAL ADVISOR CONTRACT AND
CONSIDER ENGAGING MASTERSON ADVISORS LLC AS DISTRICT FINANCIAL
ADVISOR

The Board recognized Mr. Masterson who reported he has left Hilltop Securities, formerly First Southwest Company, and started a new company, Masterson Advisors LLC. He presented a Financial Advisory Contract between the District and Masterson Advisors LLC, a copy of which is attached hereto as Exhibit "B". After further discussion and based on a motion by Director Abshire, seconded by Director Van Dyck, the Board voted unanimously to (i) notify Hilltop Securities of the requisite thirty (30) day notice of termination, and (ii) engage Masterson Advisors LLC as the District's Financial Advisor.

DISCUSS SMART METER PRESENTATION FROM ACCURATE METER & SUPPLY

The Board recognized Mr. Caleb Burson who outlined his previous presentation at the District's last meeting and answered the Board's questions. Director Van Dyck requested feedback from the consultants related to cost effectiveness and the impact on the District's budget.

Mr. Cannon suggested the Board pay for the smart meter expenses with the District's surplus funds. He added the Board would need to submit a Resolution Requesting Texas Commission on Environmental Quality ("TCEQ") Approval to Use Surplus Funds. Mr. Cannon stated the other option would be to pay for the smart meters and install them in phases. Mr. Caleb Burson stated that if the Board paid for the smart meters in one payment a 2% discount would be included.

After discussion, upon a motion brought by Director Abshire, seconded by Director Flores the Board unanimously voted to approve the smart meter proposal with Accurate Meter & Supply, subject to TCEQ Surplus Funds approval with the 2% discount, subject to a satisfactory contract being prepared and executed.

Mr. Cannon requested the Board authorize him to submit the Resolution Requesting TCEQ Approval to Use Surplus Funds for the costs associated for the smart meters with Accurate Meter & Supply. Upon a motion brought by Director Flores, seconded by Director Abshire, the Board unanimously voted to authorize Mr. Cannon to submit the Resolution Requesting TCEQ Approval to Use Surplus Funds for the costs associated for the smart meters with Accurate Meter & Supply.

APPROVAL OF MINUTES

The Board considered approval of the minutes of the meeting held on May 9, 2018. After discussion, upon a motion by Director Flores and seconded by Director Van Dyck, the Board unanimously voted to approve the minutes of the meeting held on May 9, 2018.

BOOKKEEPER'S REPORT

The Board next recognized Mrs. Perry, who presented for the Board's review and approval of the bookkeeper's report, a copy of which is attached hereto as Exhibit "C".

Consider approving budget for fiscal year end June 30, 2019

The Board discussed with the operator and bookkeeper regarding the District's budget if the Board approved the smart meters proposal. Mrs. Perry presented a proposed budget including costs associated with installing smart meters, a copy of which is attached hereto as Exhibit "D".

Mrs. Perry presented and outlined a budget related to the agreement between the District and Fort Bend County MUD No. 190 ("FBCMUD 190"), a copy of which is attached hereto as Exhibit "E".

Director Flores inquired about the capital funds reimbursement in the amount \$113,921.21 for sidewalks and meter replacements. Mrs. Perry stated that she will reimburse said funds as soon as possible.

After consideration, upon a motion brought by Director Flores, seconded by Director Stephens, the Board unanimously voted to approve (i) the bookkeeper's report; (ii) payment of the bills; (iii) reimbursement of capital funds account in the amount \$113,921.21 for sidewalks and meter replacements; and (iv) the proposed FYE 2019 budget.

APPROVE TAX COLLECTOR'S REPORT

The Board recognized Ms. Loaiza who delivered the tax collection report for the period ending May 31, 2018. She reported that 98.869% of the 2017 taxes have been collected. Upon motion by Director Abshire, seconded by Director Flores, and the question being put to the Board, the Board voted unanimously to approve the tax collector's report, a copy of the tax report is attached hereto as Exhibit "F".

OPERATOR'S REPORT

The Board recognized Mr. Williams who presented the operator's report for May, 2018 a copy of which is attached hereto as Exhibit "G". The water well was inspected to ensure proper operation and monitor water usage and the total number of connections is at 2,132. Mr. Williams stated that MOC has conducted their annual training for hurricane season. Director Flores requested Mr. Williams send the directors the hurricane training manual.

Director Abshire reminded the Board that during severe storm events the commissioner's office is to include the District's Engineer during discussions relating to severe storm events, and the Engineer will report back to the Board with the updates. He added that updates impacting the District will be included on the District's website.

Consider approving Red Flags Policy

Mr. Williams reviewed the annual Administrator's Report on Identity Theft Prevention Protection. He noted that the District does not need to make any changes to said policy.

After consideration, upon a motion brought by Director Flores, seconded by Director Abshire, the Board unanimously voted to approve (i) the Operator's report as presented; (ii) termination of water for residents listed on the cut off list; (iii) approve the uncollectable accounts; and (iv) approve the Red Flags Policy.

HEAR REPORT FROM DOUBLE OAK EROSION

The Board recognized Mr. Disdier who gave a report on maintenance of the Twin Oaks Detention Pond and Channel, the West Oaks Village Detention Pond, and the Bellaire Common Area. A copy of Double Oak's report is attached hereto as Exhibit "H". Director Van Dyck stated that fresh ruts were in the District ditches and should be corrected.

ENGINEER'S REPORT

Ms. Howes presented the engineer's report, a copy of which is attached hereto as Exhibit "I". A summary of the status of various projects in the District is as follows:

1. Water Plant Improvements

- The project is under construction and there are no pay applications this month. Based on the large water demands, the contractor has asked to delay the rehabilitation of the second ground storage tank until the fall. IDS has discussed this approach with the Operator and they agree.

2. Smart Meters

- There are numerous benefits to installing smart meters, such as:
 - Improved accuracy in meter reading resulting in fewer re-read calls to the Operator.
 - Provides a tool for customer water conservation efforts.
 - Leak detection alerts.
 - Longer life and accuracy of the meter.
- Smart meters are certainly more expensive than traditional water meters, and based on review of the costs, IDS believes that smart meters are likely to break even. Currently they do not provide the District with savings but do provide a better customer service experience.

3. Extreme Event Drainage Analysis

- Last month IDS discussed the potential for the installation of a relief drainage system in the southwest portion of the District. This relief system would help drain the area in the event of larger rainfall occurrences. In order to determine the feasibility of the relief system, IDS would need to evaluate the existing system

and ensure that the improvements would not adversely impact the receiving stream. IDS proposed to do this work on an hourly basis and estimate that the cost would not be more than \$7,500. This work would include the evaluation, plus a construction cost estimate for the improvements.

Director Stephens requested Ms. Marquez request that Cypress Creek Pest Control be sure to include the time, date and signature on all the door tags for the mosquito sprays.

Upon a motion brought by Director Abshire, seconded by Director Johnson, the Board has unanimously voted to approve the Engineer's report, including the evaluation of the existing system and ensure that the improvements would not adversely impact the receiving stream in the amount of approximately \$7,500.

HEAR ATTORNEY'S REPORT AND CONSIDER TAKING ANY ACTION REQUESTED BY ATTORNEY

Consider amending agreement with FBCMUD No. 190

The Board recognized Mr. Cannon presented a copy of the First Supplement (Emergency Water Supply) to Agreement Regarding Water and Wastewater Facilities by and between the District and FBCMUD 190 (the "First Supplement"), a copy of which is attached hereto as Exhibit "J". Mr. Cannon stated that FBCMUD 190 is in need of an alternate source of water and will purchase additional well capacity for \$232,500 prior to October 1, 2018, and make an additional payment of \$74,666.67 prior to December 1, 2018 to acquire emergency service capacity.

After consideration, upon a motion brought by Director Abshire, seconded by Director Van Dyck, the Board unanimously voted to approve the First Supplement, as presented.

Consider approving letter to Constable regarding use of patrol cars

Mr. Cannon reported that two (2) patrol vehicles have been approved for use for patrol of the District for each of the two (2) deputies, and at no extra cost to the District. He added that the Constable's office has requested a letter from the Board authorizing each deputy to drive the patrol vehicles between their homes and the District. Mr. Cannon noted that the patrol vehicles should be used only for District matters and not for personal use of the deputies. A copy of said letter is attached hereto as Exhibit "K".

Mr. Cannon drew the Board's attention to the District's constable report and the WCA call log attached hereto as Exhibit "L". No action was taken.

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PASSED, APPROVED AND ADOPTED this day of 11th of July, 2018.

(DISTRICT SEAL)


Secretary Board of Directors

