

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

February 13, 2017

THE STATE OF TEXAS	§
	§
COUNTY OF HARRIS	§
	§
CYPRESS-KLEIN UTILITY DISTRICT	§

The Board of Directors (the "Board") of Cypress-Klein Utility District (the "District") met in regular session, open to the public 15705 North Greenfield Drive, Spring, Harris County, Texas, a designated meeting place of the Board outside the boundaries of the District, on Monday, February 13, 2017, whereupon the roll was called of the members of the Board, to-wit:

Mark Hanz	President
Ron Koval	Vice President
Karen Stepchinsky	Secretary
Robert Rasch	Assistant Secretary
Paul Laven	Director

All members of the Board were present, thus constituting a quorum.

Also present at the meeting were members of the public listed on the attached Attendance Sheet; Kevin Atkinson with Texas Pride Disposal; Jamal Singleton with District Waste Solutions; Andrew Kaluza and Russell Wolff with Residential Recycling & Refuse of Texas; Ryan Sloan and Chris Forte with Texas Environmental Waste; Debra Loggins with L&S District Services ("L&S"), bookkeeper for the District; Patrick Newton with AEI Engineering, LLC ("AEI"), Engineer for the District; Mike Plunkett with Eagle Water Management, Inc. ("Eagle"), Operator for the District; Yvonne Luevano with Wheeler & Associates, Inc. ("Wheeler"), Tax Assessor/Collector for the District; and Maria Salinas Parker and Ryan E. LaRue with Sanford Kuhl Hagan Kugle Parker Kahn LLP ("SKLaw"), Attorney for the District.

The President called the meeting to order and the following business was transacted.

**APPROVAL OF MINUTES**

Proposed minutes of the meeting of January 9, 2017, previously distributed to the Board, were presented for consideration and approval. Director Laven noted a correction to said minutes.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of the meetings of January 9, 2017, as corrected.

**HEAR FROM PUBLIC**

The Board noted that no members of the public present at the meeting wished to address the Board.

## **TAX ASSESSOR/COLLECTOR'S REPORT**

The Board recognized Ms. Luevano, who submitted to and reviewed with the Board the Tax Assessor/Collector's Report. Ms. Luevano noted that the District has collected 89.30% of its 2016 personal and real property taxes.

Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report, and to authorize payment of the checks listed therein.

## **DELINQUENT TAX REPORT**

The Board recognized Ms. Parker, who reviewed with the Board the Delinquent Tax Report as submitted by Perdue Brandon Fielder Collins & Mott LLP ("PB"), a copy of which is attached hereto.

Upon motion duly made and seconded, the Board voted unanimously to approve the PB Delinquent Tax Report.

## **BOOKKEEPER'S REPORT**

The Board then reviewed the Bookkeeper's Report, a copy of which is attached hereto. They noted the balances in each of the District's accounts and noted investments in each account. The Board then reviewed the activity in each account. The Board also reviewed the invoices and the checks prepared in payment thereof.

The Directors then reviewed: (1) the Cash Flow Report for the District's Operating Fund; (2) the Budget Comparison; and (3) the Pledged Security Report, copies of which are included with and/or attached to the Bookkeeper's Report.

Upon motion duly made and seconded, the Board voted unanimously to approve (1) the Bookkeeper's Report and (2) the checks presented for payment.

## **OPERATIONS REPORT**

The President recognized Mr. Plunkett, who submitted to and reviewed with the Board the Operations Report, a copy of which is attached hereto.

With regard to the Operations Report, the following items were noted:

- The District has a total connection count of 892.
- There were no excursions at the wastewater treatment plant for the reporting period.
- The billed to pumped ratio was 77.42%. Mr. Plunkett contacted the operator for Kleinwood Municipal Utility District ("Kleinwood"), who indicated that the billed to pumped ratio in Kleinwood has been high. Mr. Plunkett stated that this maybe an indication that the valve on the emergency interconnect line has been opened. This would also account for the District's reduced billed to pumped ratio. Eagle will continue to investigate the cause of the reduced accountability.
- There were no delinquent uncollectable accounts presented for "write off" and release to a collection agency.
- 15,724,000 gallons of water were produced last month, of which 15,560,000 gallons were supplied by the North Harris County Regional Water Authority ("RWA"), and 164,000 gallons were supplied by the District's water wells.

- The current contract for telephone service for District facilities will expire within the next thirty (30) days. Eagle will proceed with renewing the contract.
- The booster pump at Water Plant No. 2 was repaired and has been placed back in operation.

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Operations Report and (2) authorize Eagle to write off the delinquent uncollectable accounts presented for “write off”, if any.

### **TERMINATION OF WATER SERVICE**

Consideration was then given to terminating water service to those accounts listed on the Water Termination List. The Board noted that there was no one present at the meeting who wished to address the Board concerning their water bill or the termination of water service.

Upon motion duly made and seconded, the Board voted unanimously to terminate water service to the accounts listed on the Water Termination List, with the assistance of a peace officer, if necessary.

### **ENGINEER’S REPORT**

The President recognized Mr. Newton, who presented the Engineer’s Report.

#### **Sanitary Sewer Rehabilitation**

Bids were taken on November 9, 2016, for the sanitary sewer rehabilitation project. CleanServe, LLC, was awarded the contract in the amount of \$17,384.50. A pre-construction meeting was held on January 16, 2017. It is anticipated that the project will be complete in March.

#### **Tract on 6995 Louetta/Huckabay Tract**

AEI had nothing new to report.

#### **Renewal of Waste Discharge Permit**

The District’s waste discharge permit for the wastewater treatment plant will expire on January 31, 2018. Applications to renew the waste discharge permit must be filed with the Texas Commission on Environmental Quality (the “TCEQ”) on or before 180 days of the expiration of the current permit. Mr. Newton stated that AEI is requesting approval to proceed with preparing the application to renew the waste discharge permit.

#### **Maintenance Tax Election Report**

AEI has submitted the Maintenance Tax Election Report to the Attorney for review.

#### **Long Term Capital Projects Plan**

The Long Term Capital Projects Plan is attached to the Engineer’s Report. It has been revised to reflect work completed and authorized.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer’s Report, and to authorize AEI to prepare and file with the TCEQ the application to renew the District’s waste discharge permit.

## **ATTORNEY'S REPORT**

The Board recognized Ms. Parker, who presented the Attorney's Report.

## **Website**

Director Hanz stated that the website is complete.

## **Order Calling Maintenance Tax Election**

Consideration was then given to a proposed Order Calling Maintenance Tax Election.

The Board agreed to postpone the Maintenance Tax Election until November 14, 2017.

## **Contract with Republic Services/Trash Proposals**

The Board noted that Republic Services submitted a letter terminating the Waste Disposal Agreement with the District. The termination is to be effective April 30, 2017.

At this time the Board recognized the representatives present from the various trash companies, who briefed the Board on the services provided by their companies and answered questions from the Board.

The Board deferred action on engaging the services of a trash company and agreed to call a special meeting for February 21, 2017, to select a trash company.

## **Engage Attorney To Collect Delinquent Taxes**

Consideration was then given to engaging an attorney to collect the District's delinquent taxes. The Board noted that the District has a contract with Perdue, Brandon, Fielder & Mott, LLP to collect the District's delinquent taxes and that such contract continues until terminated.

Upon motion duly made and seconded, the Board voted unanimously to engage the services of Perdue, Brandon, Fielder & Mott, LLP to collect the District's delinquent taxes, including the 2016 taxes that are delinquent on July 1, 2017, and thereafter.

## **Resolution Implementing 20% Penalty**

Consideration was next given to a proposed Resolution Implementing 20% Penalty on 2016 Delinquent Taxes.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Concerning 20% Penalty on Delinquent Taxes, thereby imposing an additional 20% penalty on the 2016 taxes delinquent on July 1, 2017, and thereafter. A copy of said Resolution is on file in the official records of the District.

## **Resolution Concerning Tax Exemptions For 2017**

Consideration was next given a proposed Resolution Concerning Tax Exemptions for 2017.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Concerning Tax Exemptions for 2017, thereby granting a \$20,000 homestead exemption to property owners who are disabled or are 65 years of age or older. A copy of said Resolution is on file in the official records of the District.

**Application for Use of Building**

No action was taken on the Application for the Use of the Building.

**REPAIRS/MAINTENANCE OF ADMINISTRATIVE BUILDING**

No action was taken on repairs to the Administrative Building.

**GENERAL MANAGER**

The Board deferred action on engaging the services of a general manager.

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THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, the meeting was adjourned.

Approved this March 20, 2017.

  
Secretary, Board of Directors