

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

March 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, March 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 except Director Rasch, thus constituting a quorum.

Also present at the meeting were Pam Bailey with Chaparral Management; 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 meetings of January 23, 2017, February 13, 2017, and February 21, 2017, previously distributed to the Board, were presented for consideration and approval.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of the meetings of January 23, 2017, February 13, 2017, and February 21, 2017, as submitted.

**HEAR FROM PUBLIC**

The Board recognized Ms. Bailey, who addressed the Board on the Grow Northwest initiative and adding a voluntary donation line item on the District’s water bill to fund the initiative. The Board asked the Attorney to place this item on the April agenda.

## **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 94.12% 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. Luevano, 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.

The Board agreed to consider amending the budget at the April meeting to include certain capital projects.

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 75.85%. Mr. Plunkett presented a proposal from SAMCO Leak Detection ("SAMCO") to perform a leak detection survey. Mr. Plunkett stated that SAMCO's proposal provides for a cost of \$9,100 to survey the 13 miles of water lines in the District.
- There were no delinquent uncollectable accounts presented for "write off" and release to a collection agency.
- 15,467,000 gallons of water were produced last month, of which 15,467,000 gallons were supplied by the North Harris County Regional Water Authority ("RWA"), and -0- gallons were supplied by the District's water wells.

- Eagle obtained a new contract from AT&T for the service lines at \$25 per month.
- Proposals for a security system were received from Today's Integration in the amount of \$9,835.35, and On Site in the amount of \$10,060.00. The Board took no action on the proposals, and agreed that this item be placed on the agenda for the July meeting as Directors attending the AWBD Summer Conference can visit the security booths at said conference.

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Operations Report, (2) authorize Eagle to write off the delinquent uncollectable accounts presented for "write off", if any, and (3) accept the proposal from SAMCO to perform a leak detection survey.

### **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 Phase II**

Bids were taken on November 9, 2016, for the sanitary sewer rehabilitation project. CleanServe, LLC ("CleanServe"), was awarded the contract in the amount of \$17,384.50. The televising work is complete. CleanServe has submitted for approval Pay Estimate No. 1 in the amount of \$14,057.50.

AEI has reviewed the televised sections, and the AEI evaluation report is attached to the Engineer's Report. The Board agreed with AEI's recommendation that repairs for Phase IA should commence in the fall after the peak water use period. Phase IIB will commence in 2018.

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

The owners of the tract on 6996 Louetta have asked that the District to formally request water and sewer service from Harris County MUD No. 24 to serve said tract.

### **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. AEI is preparing the application to renew the waste discharge permit.

### **Maintenance Tax Election Report**

AEI had nothing new to report.

### **Water Plant Evaluations**

AEI requested authorization to conduct the required water tank evaluation for the 420,000 gallon ground storage tank at water plant 2.

### **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 (1) approve the Engineer's Report, (2) approve Pay Estimate No. 1 to CleanServe in the amount of \$17,394.50, (3) authorize AEI to issue a letter to Harris County MUD No 24 requesting water and sanitary sewer service to serve the Huckabee tract, and (4) authorize the evaluation of the 420,000 gallon ground storage tank at water plant 2.

### **ATTORNEY'S REPORT**

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

### **Website**

With regard to the website, the Board agreed to post the article on the RWA increase.

### **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.

It was noted that Republic Services has not been collecting trash on the Saturday second pick up as required by the contract) and that they have been charging the District for 847 residential connections rather than 808. The Board agreed to hold the check to Republic Services pending Republic Services submitting a corrected invoice for the correct number of single family connections. The Board asked the Attorney to contact Republic Services on the apparent default in the contract with the District for failure to perform the second pick up on Saturdays.

Texas Pride Disposal will commence collection of trash and recycle on May 1, 2017.

### **Application for Use of Building**

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

### **Traffic Light**

The Board reviewed a letter from Harris County Precinct 4 regarding the installation of a traffic light at the corner of North Greenfield and Cypresswood Drive. Harris County Precinct 4 indicated that if the area residents and businesses would like an upgraded traffic light, there is an additional cost of \$4,000, that must be paid by the affected area property owners.

Upon motion duly made and seconded, the Board voted by majority vote, approved the expenditure of \$4,000 for the traffic light. Director Laven voted nay on the matter.

**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 April 10, 2027.

  
Secretary, Board of Directors