

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

July 10, 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 inside the boundaries of the District, on Monday, July 10, 2017, whereupon the roll was called of the members of the Board, to-wit:

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

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

Also present at the meeting were Michael Murr with Murr Incorporated, Grace James and Caden James, residents of the District; 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 June 12, 2017, previously distributed to the Board, were presented for consideration and approval. The Board noted certain changes to the minutes.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of June 12, 2017, as changed.

**HEAR FROM PUBLIC**

The Board recognized Ms. James, who asked the Board to consider providing peace officer services for the District. It was noted that not funds have been budgeted in 2017 for a peace officer.

## **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 97.38% 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 next reviewed 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, (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 893.
- there were no excursions at the wastewater treatment plant for the reporting period.
- the billed to pumped ratio was 94.55%.
- there were no delinquent uncollectable accounts presented for "write off" and release to a collection agency.
- the commercial meters were check for accuracy. It was noted that the Atria meter was authorized to be replaced.
- last month 22,125,000 gallons of water were produced, of which 18,766,000 gallons were supplied by the North Harris County Regional Water Authority ("RWA").
- the meter on the emergency water interconnect line with Kleinwood Municipal Utility District ("KMUD") is not operational. The contract with KMUD requires a meter, and the meter installed at the time of the construction of the interconnect, is not operational. The emergency interconnect is seldom used, and the cost of a meter is approximately \$9,000. Mr. Plunkett contacted KMUD,

and KMUD is agreeable to installing a new meter. The Board then discussed whether it is cost effective to replace the meter. The Board took no action on this matter.

-the programmable logic controller (“plc”) at the water plant is not operating properly. EFS and NTS were asked to submit bids to install a new plc. EFS did not submit a bid. NTS submitted a bid of \$13,500.

-bids were obtained from Shamrock Roofing (\$3,890) to replace the roof on the control building and The Residence Doctor (\$4,348) to replace the roof on the control building and pump room.

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, (3) accept the bid from NTS for the replacement of the plc, and (4) accept the bid from The Residence Doctor to replace the roof on the control building and pump room at water plant 3.

### **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 Phase IIA Rehabilitation**

AEI is in the process of designing the sanitary sewer Phase IIA Rehabilitation.

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

The District received a letter from Harris County MUD No. 24 (“HC24”) stating that HC24 will provide water and sanitary sewer service to the Huckabay Tract, provided that the District remits to HC24 all property taxes collected on the Huckabay Tract. AEI reached out to Mr. Huckabay for an estimated value of land and improvements for the portion of his development to be located in the District. AEI estimated a total assessed value at full development at \$1,000,000 for the Huckabay Tract. The Board agreed to defer action on this matter pending the owners providing an estimate of value.

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

The District’s Waste Discharge Permit for the wastewater treatment plant will expire on January 31, 2018. The application 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 Waste Discharge Permit. AEI is preparing the application to renew the waste discharge permit.

### **Plan Review**

Wimbledon Estates Homeowners Association (“HOA”) requested that the District review the HOA park plans for issues relating to drainage. Pursuant to prior Board authorization, Mr. Newton presented a scope of services, and estimated a cost of \$7,200.00 to perform the scope of services. The Board recognized

Mr. Murr, who requested that the District authorize AEI to provide flood mitigation plans and obtain regulatory approval of said plans for the park proposed by the Wimbledon Estates Homeowner's Association. The Board deferred action on this matter.

### **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.

### **ATTORNEY'S REPORT**

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

### **Website**

No action was taken on the website.

### **Legislative Update**

The Board recognized Mr. LaRue, who then updated the Board on recent legislation affecting water districts.

### **Grow Northwest/Voluntary Donation on Water Bill**

Consideration was then given to including a voluntary donation on the water bill for the Grow Northwest Project. The Board deferred action on this matter.

### **REPAIRS/MAINTENANCE OF ADMINISTRATIVE BUILDING**

It was noted that the air conditioning system at the Administrative Building was not operating properly. Eagle contacted a contractor to repair the air conditioning system.

### **GENERAL MANAGER**

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

### **ELECTRICAL CONTRACT**

No action was taken on the electrical contract.

### **LAWSUIT FLED BY SUPERIOR COATING**

Ms. Parker updated the Board on the lawsuit filed by Superior Coating against Williams Painting (contractor on the elevated storage tank).

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

Approved this August 14, 2017

  
Secretary, Board of Directors