

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

June 11, 2018

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, at 15705 North Greenfield Drive, Spring, Harris County, Texas, a designated meeting place of the Board inside the boundaries of the District, on Monday, June 11, 2018, whereupon the roll was called of the members of the Board, to-wit:

Robert Rasch	President
Paul Laven	Vice President
Adam Lightfoot	Secretary
Carl Sandhoff	Assistant Secretary
Chaz Logan	Director-elect

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

Also present at the meeting were, Mark Hanz, resident of the District, members of the public listed on the attached Attendance Sheet; Barb Cobaugh, representing The Coalition to Stop the Flooding on Cypress Creek; Debra Loggins with L&S District Services (“L&S”), Bookkeeper for the District; Nancy Blackwell and Sherry Grant 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 LaRue with Sanford Kuhl Hagan Kugle Parker Kahn LLP (“SKLaw”), Attorney for the District.

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

QUALIFICATION OF DIRECTOR

At this time Director Logan took his Oath of Office; and executed the Statement of Elected Official.

Upon motion duly made and seconded, the Board voted unanimously to accept the Oath of Office Statements of Elected Officials for Directors Logan, thus qualifying him to serve on the Board

APPROVAL OF MINUTES

Proposed minutes of the meeting of May 14, 2018, previously distributed to the Board, were presented for consideration and approval. Director Laven noted certain changes to the minutes.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of May 14, 2018, as changed.

HEAR FROM PUBLIC

The Board noted that there were no members of the public present at the meeting who wished to address the Board, other than concerning drainage which was addressed later in the meeting

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 96.98% of its 2017 personal and real property taxes. Ms. Luevano reported that the estimated value for 2018 for the District is \$282,951,649.

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 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's 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 then discussed the reimbursement of expenses to directors who attend the summer conference of the Association of Water Board Directors.

Upon motion duly made and seconded, the Board voted unanimously to approve (1) the Bookkeeper's Report, (2) the checks presented for payment, and (3) the reimbursement of expenses to directors who attend the summer conference of the Association of Water Board Directors.

OPERATIONS REPORT

The Board 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 885.
- there were no excursions at the wastewater treatment plant.
- the billed to pumped ratio was 88.14%.

- there were no delinquent uncollectable accounts presented for “write off” and release to a collection agency.
- last month 22,163,000 gallons of water were produced, of which 19,513,000 gallons were supplied by the North Harris County Regional Water Authority (“RWA”), and 2,650,000 gallons were supplied by District wells.

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 Board recognized Ms. Blackwell, who presented the Engineer’s Report.

Water Plant 3 GST Inspection

The annual inspection of the ground storage tank at water plant 3 is complete. Ms. Blackwell noted that there is no action necessary in connection with the annual inspection.

Long Term Capital Projects Plan

The Long-Term Capital Projects Plan is attached to the Engineer’s Report.

Emergency Preparedness Plan (“EPP”)

Ms. Blackwell then reviewed with the Board a draft of the updated EPP.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer’s Report, and the EPP.

ATTORNEY’S REPORT

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

Agreement with Harris County MUD No. 24 (“HC24”)/ Tract on 6995 Louetta/Huckabay Tract

At the meeting on September 11, 2017, the Board agreed to HC24’s agreement to serve the Huckabay Tract provided that:

1. Mr. Huckabay and the District enter into an agreement with HC24 that provides that the District and Mr. Huckabay will do all things necessary, and sign all necessary documents to

- accomplish de-annexation of the Huckabay Tract from the District and annexation into HC24;
2. Mr. Huckabay will pay all costs of annexation/de-annexation; and
 3. Mr. Huckabay will bear all costs of connection to HC24's system without reimbursement;
 4. if de-annexation/ annexation is not accomplished prior to the end of calendar year 2019, then Huckabay agrees to pay to HC24 a payment in lieu of taxes ("PILOT"), based upon the taxable value of the entire tract plus improvements, multiplied by the HC24 tax rate, divided by 12 and added to each monthly water and sewer bill. The PILOT payment will begin in January of 2020 if the annexation into HC24 has not been completed.

The Board noted that HC24 has not submitted a draft contract for review on the Huckabay Tract.

Unclaimed Property Report

Ms. Parker informed the Board that as of April 30 of each year, property that is presumed to be abandoned must be reported to the Comptroller on or before July 1.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Unclaimed Property, a copy of which is on file in the official records of the District.

TRASH SURVEY

The Board then discussed the performance of the trash service company. It was noted that the trash contractor is not (i) responding to customer complaints, and (2) returning receptacles to the proper locations. With regard to a trash survey concerning recycling, the Board determined that a trash survey is not necessary as the District has achieved over thirty percent (30%) participation in recycling.

WEBSITE

Director Hanz agreed to operate the District website pending a final decision of the Board on the website operations. The Board agreed to contact various companies that manage websites for the water district community.

WORKSHOP MEETING

The Board agreed to conduct a workshop meeting in the last week of June.

FINANCIAL ADVISOR'S CONTRACT

No action was taken on the Financial Advisor's Contract was deferred.

THE COALITION TO STOP THE FLOODING OF CYPRESS CREEK (The "Coalition")

The Board recognized Mr. LaRue, who gave a brief synopsis of the meeting conducted by the Coalition on June 5, 2018. The Board then recognized Mr. Eschenfelder, who also briefed the Board on said meeting.

The Board then recognized Ms. Cobaugh, who discussed with the Board the objectives of the Coalition. She stated that although Cypress Creek is one of Harris County's largest watersheds, Harris County has spent the least amount of money in maintaining and improving Cypress Creek. She then advised

the Board of a meeting scheduled for Friday, June 15, 2018, at 6:00 p.m. at the Raveneaux Country Club hosted by representatives of Harris County to discuss the November bond referendum for flood control.

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

Approved this July 9, 2018.



Secretary, Board of Directors