

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

August 13, 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, August 13, 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, Debra Loggins with L&S District Services ("L&S"), Bookkeeper for the District; Sherry Grant with AEI Engineering, LLC ("AEI"), Engineer for the District; Mike Plunkett with Eagle Water Management, Inc. ("Eagle"), Operator for the District; Miranda Burks with Wheeler & Associates, Inc. ("Wheeler"), Tax Assessor/Collector for the District; and Maria Salinas Parker with Sanford Kuhl Hagan Kugler Parker Kahn LLP ("SKLaw"), Attorney for the District.

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

APPROVAL OF MINUTES

Proposed minutes of the meeting of July 9, 2018, 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 meeting of July 9, 2018, as submitted.

HEAR FROM PUBLIC

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

TAX ASSESSOR/COLLECTOR'S REPORT

The Board recognized Ms. Burks, who submitted to and reviewed with the Board the Tax Assessor/Collector's Report. Ms. Burks noted that the District has collected 97.16% of its 2017 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 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, and to authorize the termination of service to property owners owing the District delinquent taxes.

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.

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 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 882.
- there were no excursions at the wastewater treatment plant.
- the billed to pumped ratio was 92.80%.
- there were no delinquent uncollectable accounts presented for "write off" and release to a collection agency.
- last month 23,802,000 gallons of water were produced, of which 21,636,000 gallons were supplied by the North Harris County Regional Water Authority ("RWA"), and 2,166,000 gallons were supplied by District wells.
- the trees and shrubbery were trimmed around the office parking lot.

The Board then discussed the purchase and installation of District signs. It was noted that the rules of the Texas Commission on Environmental Quality require that the District to erect two signs with the name of the District at two entrance locations. Mr. Plunkett stated that one sign is posted at the Administration Building and the other at Worchester. Director Lightfoot suggested that the Board consider the installation of additional signs as the District has several major entrances. The Board then discussed the locations for additional signs.

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) to authorize the purchase and installation of three additional District signs at the locations discussed.

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. Grant, who presented the Engineer’s Report.

Long Term Capital Projects Plan

The Long-Term Capital Projects Plan (“CPP”) is attached to the Engineer’s Report. The CPP has been updated to reflect work authorized and completed. AEI presented an updated sanitary sewer rehabilitation map for the Board’s review.

Phase IIB Sanitary Sewer Rehabilitation

AEI is preparing the plans and specifications for the Phase IIB sanitary sewer rehabilitation.

Emergency Preparedness Plan (“EPP”)

The updated EPP has been completed and filed with all regulatory authorities.

Service Request

AEI has reviewed the plans for the Harris County Courthouse on Cypresswood Drive. A letter of no objection was issued.

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.

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.

Maintenance Tax Election

Consideration was then given to a proposed Order Calling Maintenance Tax Election for November 6, 2018.

Upon motion duly made and seconded, the Board voted unanimously to adopt the Order Calling Maintenance Tax Election, a copy of which is on file in the official records of the District.

Annual Review of Investment Policy

At this time, the Board conducted its annual review of the Investment Policy.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Annual Review of Investment Policy, a copy of which is on file in the official District's records.

2018 Tax Levy

As a certified tax roll has not been provided to the District; no action was taken in connection with the 2018 tax levy.

WEBSITE

At the meeting on July 9, 2018, the Board engaged the services of Off Cinco on a contract hourly limited basis to post items on the website. The website has been transferred to Off Cinco and updated.

The Board agreed to review proposals for the website at the September meeting.

PROPOSAL TO RENEW INSURANCE

It was noted that Gallagher did not submit a proposal to renew the District's insurance on September 1, 2018.

Upon motion duly made and seconded, the Board voted unanimously to authorize Gallagher to bond the District's insurance on September 1, 2018 for thirty (30) days and to authorize obtaining proposals insuring the District.

CONTRACTING FOR SERVICES OF PEACE OFFICER

Consideration was next given to contracting for the services of a peace officer. Director Lightfoot reported that he attended the meeting of the Wimbledon Estates Home Homeowners' Association ("HOA") to discuss security in the District. Currently, the HOA has a contract with Harris County Precinct 4 for the services of a single peace officer. Director Lightfoot added that the HOA does not want to assign the contract to the District, but suggested that the District provide funding to the HOA for a second officer. The Board then discussed various options with regard to the services of a peace officer, including the District directly contracting with Precinct 4 for the services of a single officer. The Board deferred action on this matter pending a review of crime statistics for the area in the District. Director Lightfoot agreed to contact the HOA to obtain a copy of the statistics.

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

The Board discussed recent public meetings concerning efforts to stop the flooding on Cypress Creek.

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

Approved this September 10, 2018.



Secretary, Board of Directors