

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

September 10, 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, September 10, 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

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 Kugle 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 meetings of August 13, 2018, and August 27, 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 meetings of August 13, 2018, and August 27, 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 97.73% 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.

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 880.
- there were no excursions at the wastewater treatment plant.
- the billed to pumped ratio was 93.18%.
- there were no delinquent uncollectable accounts presented for "write off" and release to a collection agency.
- last month 25,101,000 gallons of water were produced, of which 23,072,000 gallons were supplied by the North Harris County Regional Water Authority ("RWA"), and 2,029,000 gallons were supplied by District wells.

Mr. Plunkett then reported that lift pump 2 at the wastewater treatment plant failed and will be repaired. The Texas Commission on Environmental Quality conducted an inspection, and the certification of the backflow prevention device was not readily available.

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Operations Report, and to (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. 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.

Phase IIB Sanitary Sewer Rehabilitation

AEI is preparing the plans and specifications for the Phase IIB sanitary sewer rehabilitation. AEI requested authorization to bid the project.

Maintenance Tax Election

AEI has completed that draft Maintenance Tax Election Report.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report, and to authorize AEI to advertise for bids for the Phase IIB sanitary sewer rehabilitation project.

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;
3. Mr. Huckabay will bear all costs of connection to HC24's system without reimbursement; and
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 the Maintenance Tax Election for November 6, 2018.

Upon motion duly made and seconded, the Board voted unanimously to (1) call public hearings on the matter of the Maintenance Tax Election for October 8, 2018 at 6:30 p.m. and October 22, 2018 at 6:30 p.m., and (2) call a special meeting for September 18, 2018 at 5:30 p.m. to discuss the public hearing presentation.

2018 Tax Levy

No action was taken in connection with a 2018 tax levy.

WEBSITE

The Board agreed to review proposals for the website at the September 18, 2018, meeting.

PROPOSAL TO RENEW INSURANCE

The Board noted that no further action was necessary on renewing the District's insurance.

CONTRACTING FOR SERVICES OF PEACE OFFICER

The Board agreed to invite Precinct 4 Constable Mark Herman to the meeting on October 8, 2018, to discuss the services of a single officer.

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

There was no discussion 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 October 8, 2018



Secretary, Board of Directors