

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

October 8, 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, October 8, 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 and Nancy Blackwell with AEI Engineering, LLC (“AEI”), Engineer for the District; Mike Plunkett and Doug McAbee with Eagle Water Management, Inc. (“Eagle”), Operator for the District; Miranda Burks with Wheeler & Associates, Inc. (“Wheeler”), Tax Assessor/Collector for the District; and Ryan L. LaRue 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 September 10, 2018 and September 18, 2018, previously distributed to the Board, were presented for consideration and approval. Director Laven noted a change to the minutes of September 10, 2018.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of the meetings of September 10, 2018, as changed, and September 18, 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 98.04% 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.

With regard to the use of the Administrative Building by Harris County MUD No. 44 ("HC44"), the Board discussed Ms. Loggins billing HC44 the sum of \$150 per month for October 1, 2018 through December 31, 2019.

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) billing HC44 the sum of \$150 per month for October 1, 2018 through December 31, 2019 for use of the building.

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 92.30%.
- there were no delinquent uncollectable accounts presented for "write off" and release to a collection agency.
- last month 15,637,000 gallons of water were produced, of which 15,616,000 gallons were supplied by the North Harris County Regional Water Authority ("RWA"), and 21,000 gallons were supplied by District wells.

Mr. Plunkett then reported that the electrical meter pole at water plant 1 collapsed, thereby interrupting electrical service. He stated that the collapse was caused by rotten wood. As water plant 1 is not used, and is scheduled to be removed, Mr. Plunkett stated that the District may choose not to restore electrical service. In any event, he added that the electrical service provided could be reduced. It was agreed that Mr. Plunkett present a proposal at the November meeting.

Mr. Plunkett presented a request from the Customer Maloney at 6610 Centre Place Circle for an adjustment to their high water bill due to an irrigation leak. The customer provided evidence of the water leak and the repair thereto.

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) adjust the water bill for the Customer Maloney based on District policy that provides that the customer will be billed based on average water usage, and for all water in excess of the average a charge of \$1.00 per 1,000 gallons of water used will be charged plus the full RWA fee, and (4) provide for the same adjustment to the customer on Saffron Hill upon said customer providing evidence of the leak and repair.

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 will bid this project later this month.

Maintenance Tax Election

AEI revised the Maintenance Tax Election Report pursuant to comments received.

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.

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

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

Ms. Parker reported that Mr. Huckabay is requesting that the District proceed with de-annexing the Huckabay tract from the District.

Upon motion duly made and seconded, the Board voted unanimously to proceed with de-annexing the Huckabay tract upon receipt of a check from Mr. Huckabay in the amount of \$10,000 to cover de-annexation costs.

Maintenance Tax Election

No action was taken on the Maintenance Tax Election for November 6, 2018.

2018 Tax Levy

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

WEBSITE

No action was taken on the website.

CONTRACTING FOR SERVICES OF PEACE OFFICER

Precinct 4 Constable Mark Herman was invited to the meeting to discuss the services of a single officer. As no one from Precinct 4 attended the meeting, the Board agreed to place this item on the November agenda.

PUBLIC HEARING MAINTENANCE TAX ELECTION

At 6:30 p.m., the Board opened the meeting to a public hearing on the proposed Maintenance Tax Election called for November 6, 2018. Noting that there was no one present for the public hearing; the public hearing was adjourned at 7:00 p.m.

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

Approved this 11-12-18



Secretary, Board of Directors