

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

December 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, December 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 Kevin Atkinson with Texas Pride Disposal (“Texas Pride”); Heather Britton, resident of the District; Captain Steve Ener and Lt. Michael Cohen with Harris County Precinct 4 Constable’s Office; Debra Loggins with L&S District Services (“L&S”), Bookkeeper for the District; Wayne Cherry with AEI Engineering, LLC (“AEI”), Engineer for the District; Mike Plunkett and Doug McAbee with Eagle Water Management, Inc. (“Eagle”), Operator for the District; Lizandro Campos 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.

PUBLIC HEARING ON PROPOSED 2018 TAX RATE

The Board opened the meeting to a public hearing on the proposed 2018 tax rate. Noting that the member of the public present at the meeting had no comment on the proposed tax rate, the public hearing was adjourned.

CONTRACTING FOR SERVICES OF PEACE OFFICER

Consideration was then given to contracting with Harris County for the services of a peace officer. The Board recognized Captain Ener and Lt. Cohen, who discussed with the Board the services provided by Harris County Precinct 4 Constables Office for peace officers. The officers presented crime statistics for the District and the Wimbledon Subdivisions.

Upon motion duly made and seconded, the Board voted unanimously to authorize contracting with Harris County for the services of one peace officer through Harris County Precinct 4 Constables Office at an annual cost of \$69,165 on a 70/30- time basis. The Board agreed that Director Lightfoot should serve as the liaison with the Constables Office.

TRASH CONTRACT

The Board then discussed trash collection services. The Board recognized Mr. Atkinson, who addressed with the Board the second trash pick up on Saturdays and the time the second pick is to start. The contract provides that the second pick up will occur on or after 12:00 p.m. Mr. Atkinson asked that the Board to consider changing the time to 11:00 a.m. as the first collections ends around 10:30 a.m.

Upon motion duly made and seconded, the Board voted unanimously to approve changing the time for the second trash collection on Saturday to 11:00 a.m., and to approve an amendment to the contract with Texas Pride to such effect.

ORDER SETTING TAX RATE AND LEVYING TAX FOR 2018

Consideration was next given to a proposed Order Setting Tax Rate and Levying Tax for 2018. Having conducted the public hearing as required by law and publishing notice thereof, the Board deemed it appropriate to proceed with setting the 2018 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to (1) set and levy a maintenance and operation tax rate of \$0.115 per \$100 assessed value; and (2) adopt the Order Setting Tax Rate for 2018, a copy of which is on file in the official records of the District.

AMENDED NOTICE TO SELLERS AND PURCHASERS

Consideration was given to the proposed Amended Notice to Sellers and Purchasers, which Notice sets forth the 2018 tax rate.

Upon motion duly made and seconded, the Board voted unanimously to approve the Amended Notice to Sellers and Purchasers, a copy of which is on file in the official records of the District.

RESOLUTION FOR EXCLUDING LAND FROM DISTRICT AND CALLING PUBLIC HEARING

Consideration was then given to a proposed Resolution Excluding Land From District and Calling Public Hearing.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Excluding Land from District and Calling Public Hearing, a copy of which is on file in the official records of the District.

APPROVAL OF MINUTES

Proposed minutes of the meeting of November 12, 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 November 12, 2018.

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 Mr. Campos, who submitted to and reviewed with the Board the Tax Assessor/Collector's Report. Mr. Campos noted that the District has collected 98.16% 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.

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 reviewed a draft budget for fiscal year ending December 31, 2019, for the District and the Joint Water Facilities.

Upon motion duly made and seconded, the Board voted unanimously to approve (1) the Bookkeeper's Report, (2) the checks presented for payment, (3) the budget for fiscal year ending December 31, 2019 for the District, inclusive of the anticipated maintenance tax collections, and (4) the budget for fiscal year ending December 31, 2019 for the Joint Water Facilities. Copies of said budgets are on file in the official records of the District.

OPERATIONS REPORT

The Board recognized Mr. McAbee, 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 90.06%.
- there were no delinquent uncollectable accounts presented for “write off” and release to a collection agency.
- last month 11,271,000 gallons of water were produced, of which 11,204,000 gallons were supplied by the North Harris County Regional Water Authority (“RWA”), and 67,000 gallons were supplied by District wells.

In response to a question from Director Lightfoot, Mr. Plunkett stated that he would check on the status of Spring Creek Mud reimbursing the District for the cost to repair the water line damaged by a contractor for Spring Creek MUD while working in the road-right-of-way.

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 Mr. Cherry, 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

At the meeting on November 12, 2018, the Board awarded the contract for the Phase IIB sanitary sewer rehabilitation to T. Gray Utility & Rehab Co. in the base amount of \$138,064.50, plus \$42,000.00 for Alternate 1 and \$9,805.00 for Alternate 2, for a total contract amount of \$189,869.50. Mr. Cherry presented the contracts for execution by the Board.

Water Plant 1/Elevated Storage Site Electrical Modifications

The electrical consultant for AEI, Baird & Gilroy, is preparing the plans and exhibits to submit to CenterPoint and Harris County for the electrical modifications at the Water Plant 1 site. The existing 480V, 3-phase service will be changed to 120/240v, single phase.

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.

Resolution Regarding Eminent Domain

Consideration was then given to a proposed Resolution Regarding Eminent Domain.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Eminent Domain. A copy of said Resolution is on file in the official records of the District.

WEBSITE

The Board asked that Off Cinco attend the next meeting to discuss eblasts.

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

Approved this 14TH OF JANUARY 2019.



Secretary, Board of Directors