

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

June 10, 2019

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 10, 2019, whereupon the roll was called of the members of the Board, to-wit:

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

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

Also present at the meeting were Officer Gomez and Sergeant Zitzmann, with Harris County Precinct 4; Debra Loggins with L&S District Services (“L&S”), Bookkeeper for the District; Wayne Cherry with AEI Engineering, LLC (“AEI”), Engineer for the District; Doug Jacobson and 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 and Ryan L. 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.

**APPROVAL OF MINUTES**

Proposed minutes of the meeting of May 13, 2019, previously distributed to the Board, were presented for consideration and approval. Mr. Cherry 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 13, 2019, 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.

**PEACE OFFICER’S REPORT**

The Board recognized Officer Zitzmann, who presented the Peace Officer’s Report. A copy of said Report is on file in the Official Records of the District,

Upon motion duly made and seconded, the Board voted unanimously to approve the Peace Officer's Report.

### **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. Luevano noted that the District has collected 96.93% of its 2018 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 887.
- there were no excursions at the wastewater treatment plant.
- invoices were sent to the Engineer for Spring Creek Mud for reimbursement of costs to repair the water and sanitary sewer lines damaged by a contractor for Spring Creek MUD while working in the road-right-of-way.
- the billed to pumped ratio was 93.22%.
- there were no delinquent uncollectable accounts presented for "write off" and release to a collection agency.

- last month 18,028,000 gallons of water were produced, of which 17,998,000 gallons were supplied by the North Harris County Regional Water Authority (“RWA”), and 30,000 gallons were supplied by District wells.
- a sinkhole was repaired at 16149 South Hampton.

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.

### **ADDENDUM TO AGREEMENT WITH EAGLE**

Consideration was then given to a proposed amended and restated Exhibit A to the Agreement with Eagle. Mr. Plunkett reviewed with the Board the proposed rate increase.

Upon motion duly made and seconded, the Board voted unanimously to approve the amended and restated Exhibit A to the Agreement with Eagle.

### **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. AEI is working on the Water Well 1 and Water Plant 1 abandonment bid documents. This project will be bid in August.

Mr. Cherry reviewed with the Board Phase III of the Sanitary Sewer Rehabilitation Project and requested authorization to advertise for bids.

#### **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. (“Gray”) 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. A Final Inspection is scheduled for June 20, 2019. AEI received several complaints from customers with regard to Gray’s communications with customers and quality of work. Gray was notified of the complaints and will be required to provide evidence that affected customer complaints have been addressed.

### **Water Plant 1/Elevated Storage Site Electrical Modifications**

With regard to the electrical modifications at the site for water plant 1, AEI has submitted the Harris County Electrical Release Form, provided CenterPoint with documentation, and instructed Eagle to have the service pole installed. When the pole is installed, AEI will coordinate with CenterPoint and the District's electrical provider to get the meter activated and installed.

### **Emergency Preparedness Plan (EPP)**

AEI has updated the EPP and submitted same to the Texas Commission on Environmental Quality for approval.

### **Cypresswood III Project**

The shopping center adjacent to the center at the corner of Cypresswood and Stuebner Airline is being renovated. The owner has paid the application fee. AEI has reviewed and commented on the plans. AEI has requested that the Owner send the final plans to Eagle for use in observing the connections to the District's system.

Upon motion duly made and seconded, the Board voted unanimously to approve the Engineer's Report, and to authorize advertisement of bids for Phase III Sanitary Sewer Rehabilitation at an estimated cost of \$66,000.

### **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.

### **Legislative Update**

Mr. LaRue updated the Board on legislative matters.

### **TRASH CONTRACT/ADDENDUM TO CONTRACT**

Consideration was then given to a proposed Second Addendum to Solid Waste Contract. The Board noted that the Second Addendum provides for Texas Pride Disposal to collect recyclables before noon.

Upon motion duly made and seconded, the Board voted unanimously to approve the Second Addendum to Solid Waste Contract, a copy of which is on file in the official records of the District.

### **WEBSITE**

The Board agreed for Off Cinco to send out a welcome message to the text subscribers.

The Board asked Mr. Plunkett to add a note on the water bill reminding customers about the text messaging service.

**Amended Notice to Sellers and Purchasers**

Consideration was then given to a proposed Amended Notice to Sellers and Purchasers.

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.

**Unclaimed Property Report**

Consideration was next given to a proposed Resolution Regarding Unclaimed Property.

Ms. Parker noted that as of March 1 of each year property that is presumed to be abandoned, must be reported and released 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.

**LOCAL CYPRESS CREEK DRAINAGE MEETING**

Ms. Parker advised the Board of a meeting that will be hosted by Harris County WCID No. 110 on June 26, 2019 regarding drainage concerns along Cypress Creek.

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

Approved this July 8, 2019.

  
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Secretary, Board of Directors