

MINUTES OF MEETING OF THE BOARD OF DIRECTORS

August 12, 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, August 12, 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 Directors Sandhoff and Laven, thus constituting a quorum.

Also present at the meeting were Heather White and Diane White, residents of the District; Officer Gomez, Officer Choukaic and Lieutenant Garza 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 July 8, 2019, 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 8, 2019, as presented.

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 Gomez, who presented the Peace Officer's Report. A copy of said Report is on file in the Official Records of the District. The Board recognized Ms. White, who asked officers

about a possible homeless camp located north of the District. The officers stated that they were not aware of a homeless camp, but will check into the matter and get back with 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. Burks noted that the District has collected 97.46% 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.

The Board then discussed the District investments. The Board agreed that as TexPool is offering a higher interest rate, the funds in the maturing certificates of deposit should be invested in TexPool with the exception of retaining \$200,000 in Central Bank and \$100,000 in Compass Bank.

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) the investment of District funds as set forth above.

OPERATIONS REPORT

The Board recognized Mr. Jacobson, 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 90.33%.
- there were no delinquent uncollectable accounts presented for “write off” and release to a collection agency.
- last month 22,426,000 gallons of water were produced, of which 22,398,000 gallons were supplied by the North Harris County Regional Water Authority (“RWA”), and 28,000 gallons were supplied by District wells.

The Board discussed the installation of electronic meters and agreed to reconsider this matter at the time the 2020 budget is reviewed.

Two proposals were received for the replacement of the riser pipes at lift station 2. A low bid was submitted by NTS in the amount of \$5,823.

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 accept the proposal from NTS to replace the riser pipe at lift station 2.

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. AEI is working on Water Well 1 and Water Plant 1 abandonment bid documents. This project will be bid later this month.

Phase III Sanitary Sewer Rehabilitation

Bids were received on July 12, 2019 for the Phase II sanitary sewer rehabilitation. Magna Flow Environmental Services submitted a low bid of \$38,021.25.

Water Plant 1/Elevated Storage Site Electrical Modifications

With regard to the electrical modifications at the site for water plant 1, the electrical service pole will be installed later this week.

Emergency Preparedness Plan (EPP)

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

Upon motion duly made and seconded, the Board voted unanimously to (1) approve the Engineer's Report, and to award the contract for the Phase III sanitary sewer rehabilitation to Magna Flow in the amount \$38,021.25.

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.

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.

2019 Tax Levy

As a certified tax roll has not been provided to the District; no action was taken in connection with the 2019 tax levy.

PROPOSAL TO RENEW INSURANCE

Consideration was then given to a proposal submitted by Arthur J. Gallagher & Co. ("Gallagher") to renew the District's insurance on September 1, 2019. A copy of said proposal is on file in the official records of the District.

Upon motion duly made and seconded, the Board voted unanimously to accept the proposal from Gallagher.

TRASH CONTRACT

There was no action on the trash contract.

WEBSITE

In view of recent legislation, the Board agreed that Off Cinco should establish official District email addresses for each director.

RESIGNATION OF DIRECTOR LAVEN

The Board noted that Director Laven has tendered his resignation. The Board agreed to place Director Laven's resignation on the September agenda.

INSTALLATION OF DISTRICT SIGNS

Consideration was then given to installing District signs at entrances into the District.


Upon motion duly made and seconded, the Board voted unanimously to install District name signs at the intersections of (1) Wimbledon Estates at Stuebner Airline and (2) Wimbledon Forest at Louetta.

EQUIPMENT AND SUPPLIES FOR DISTRICT OFFICE

The Board discussed purchasing a refrigerator, water and snacks for the District office. This item will be added to the September agenda.

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

Approved this September 23, 2019 
Secretary, Board of Directors