

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

May 13, 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, May 13, 2019, 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 Paul and Ann Eschenfelder, residents of the District; Officer Barbara 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; Yvonne Luevano 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 April 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 April 8, 2019, as submitted.

**HEAR FROM PUBLIC**

The Board recognized Mr. Eschenfelder, who addressed the Board concerning flooding issues post Hurricane Harvey, and the lack of response and action from the Harris County Flood Control District.

## **PEACE OFFICER'S REPORT**

The Board recognized Officer Barbara, who presented the Peace Officer's Report.

## **TAX ASSESSOR/COLLECTOR'S REPORT**

The Board recognized Ms. Luevano, who submitted to and reviewed with the Board the Tax Assessor/Collector's Report. Ms. Luevano noted that the District has collected 96.03% of its 2018 personal and real property taxes.

Ms. Luevano then submitted to the Board a List of Uncollectable Delinquent Personal Property Taxes, a copy of which is on file in the official records of the District. She recommended that the Board place such accounts on the Uncollectable Tax Roll.

Upon motion duly made and seconded, the Board voted unanimously to approve the Tax Assessor/Collector's Report, to authorize payment of the checks listed therein, and to authorize the placement of the accounts listed on the List of Uncollectable Delinquent Personal Property Taxes on the Uncollectable Tax Roll.

## **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 886.
- there were no excursions at the wastewater treatment plant.

- the billed to pumped ratio was 92.38%.
- there were no delinquent uncollectable accounts presented for “write off” and release to a collection agency.
- last month 16,070,000 gallons of water were produced, of which 13,863,000 gallons were supplied by the North Harris County Regional Water Authority (“RWA”), and 2,207,000 gallons were supplied by District wells.
- testing for lead/copper will begin this month.
- the digester gear drive at the wastewater treatment plant malfunctioned and will be replaced at a cost of \$5,671.
- Customer Haggerty, at 6611 Trebeck Lane, is requesting an adjustment to his water bill. He had a leak in his toilet which resulted in a high water bill.

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) authorize Eagle to adjust Customer Haggerty’s account in accordance with District policy which provides for charging the customer for the average water usage over the last three month, and all water used in excess of the average charged at the lowest tier rate in the Rate Order. The RWA fee will be charged on all water used

**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.

**CONSUMER CONFERENCE REPORT (“CCR”)**

Consideration was next given to the CCR.

Upon motion duly made and seconded, the Board voted unanimously to approve the CCR subject to review by the Attorney and the Board. The CCR will be posted on the website.

**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. (“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. Gray has cleaned and televised all lines, installed the cured in place pipe, and completed three-point repairs. Gray

submitted Pay Estimate No. 3 in the amount of \$72,544.62. 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 is working to resolve all issues. The District is withholding ten percent retainage.

#### **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.

#### **Annual Evaluation of Ground Storage Tanks Water Plant 1 and Water Plant 2**

Mr. Cherry advised the Board that the annual hatch inspections of the ground storage tank at water plant 1 and the ground storage tank at water plant 2 were conducted on April 2, 2019. No action is required by the District at this time.

#### **Annual Evaluation of Ground Storage Tanks Water Plant 3**

Mr. Cherry advised the Board that the annual hatch inspection of the ground storage tank at water plant 3 was conducted. No action is required at this time.

#### **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 and AEI has reviewed and commented on the plans.

#### **Well Performance Tests**

The semi-annual well performance tests were performed in April. The wells are in good condition.

Upon motion duly made and seconded, the Board voted unanimously to approve (1) the Engineer's Report, and (2) Pay Estimate 3 to the Gray Contract.

#### **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**

The Board recognized Director Laven, who reported that the recycle trash is being picked up in the afternoons. He added that he would like to amend the Trash Contract to provide that the recycle trash be collected before noon. The Board asked Ms. Parker to contact Mr. Atkins regarding this matter.

## **WEBSITE**

The Board agreed to add links on the District website for the Harris County Flood Control District creeks levels.

## **Annual Review of Emergency Preparedness Plan (“EPP”)**

Consideration was then given to a proposed Resolution Regarding Annual Review of Emergency Preparedness Plan. At this time the Board reviewed its EPP.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Annual Review of Emergency Preparedness Plan subject to verification by the Engineer that all information contained in the EPP is up to date and accurate. A copy of said Resolution is on file in the official records of the District.

## **Order Adopting Post-Issuance Compliance and Continuing Disclosure Policies and Procedures**

Consideration was then given to a proposed Order Adopting Post-Issuance Compliance and Continuing Disclosure Policies and Procedures.

Upon motion duly made and seconded, the Board voted unanimously to approve the Order Adopting Post-Issuance Compliance and Continuing Disclosure Policies and Procedures, a copy of which is on file in the official records of the District.

## **Order Canvassing Bond Election**

Consideration was then given to the proposed Order Canvassing Bond Election. The Board noted that the \$7,000,000 bond proposition passed.

Upon motion duly made and seconded, the Board voted unanimously to adopt the Order Canvassing Bond Election, a copy of which is on file in the official records of the District.

## **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.

**ELECTION OF OFFICERS**

Consideration was then given to the election of officers.

Upon motion duly made and seconded, the Board voted unanimously to elect the following slate of officers:

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

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

Approved this June 10, 2019.

  
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Secretary, Board of Directors