

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

April 8, 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, April 8, 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 Drew Masterson with Master Advisors, LLC, Financial Advisor to the District; members of the public listed on the attached Attendance Sheet; Jennifer Hanna with BKD LLP, auditor for the District; James Ballowe with Texas Pride; 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 McAbee 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 March 11, 2019, previously distributed to the Board, were presented for consideration and approval. The Board recognized Mr. Cherry, who noted a correction to the minutes.

Upon motion duly made and seconded, the Board voted unanimously to approve the minutes of the meeting of March 11, 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 Sergeant Zitzmann, who presented 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 93.26% 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.

Ms. Loggins reported that she submitted an invoice in the amount of \$2,713.86 to Mr. Huckabay for the outstanding balance he owes the District for the costs incurred by the District in connection with excluding his tract of land from the District. To date, the District has not received payment. The Board asked Ms. Parker to contact Mr. Huckabay regarding this matter.

With regard to the \$252 owed by Mr. Ali to the District for services incurred in connection with the Landscape Depot tract (now the Huckabay Tract), the Board noted that four years have elapsed since there has been any activity on this matter, and instructed Ms. Loggins to write off the \$252 owed by Mr. Ali.

With regard to the \$1,500 on deposit, the Board noted that the legal and engineering fees related to this matter were not applied, and instructed Ms. Loggins to apply the legal; and engineering fees.

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. 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 885.
- there were no excursions at the wastewater treatment plant.
- the billed to pumped ratio was 91.02%.
- there were no delinquent uncollectable accounts presented for “write off” and release to a collection agency.
- last month 13,266,000 gallons of water were produced, of which 12,908,000 gallons were supplied by the North Harris County Regional Water Authority (“RWA”), and 358,000 gallons were supplied by District wells.

In response to a question from Director Lightfoot, Mr. Plunkett stated that he would contact the Engineer for Spring Creek Mud to inquire as to why the District has not been reimbursed for the cost to repair the water and sanitary sewer lines damaged by a contractor for Spring Creek MUD while working in the road-right-of-way.

Mr. McAbee stated that it is time for the generators to be load tested.

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 have the generators to be load tested.

## **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. (“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. No

pay estimate was submitted by Gray. AEI received several complaints from customers with regard to Gray's communications with customers and quality of work. Gray has been notified and asked to submit evidence that the complaints and concerns of the affected customers have been addressed.

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

The electrical consultant for AEI, Baird & Gilroy, has revised the plans and exhibits for the electrical modifications at the Water Plant 1 site pursuant to comments received from Harris County. AEI is conforming the elevations on the site as required by Harris County. The Board was reminded that at water plant 1 the existing 480V, 3-phase service will be changed to 120/240v, single phase. AEI met with CenterPoint on January 30, 2019. CenterPoint submitted a cost of \$7,200 for its portion of the proposal.

### **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. The reports will be presented at the May meeting.

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

Mr. Cherry advised the Board that it is time for the annual hatch inspection of the ground storage tank at water plant 3.

### **Cypresswood III Project**

The shopping center adjacent to the center at the corner of Cypresswood and Stuebner Airline is being renovated. Plans have been provided to AEI for review. The application fee has not been submitted.

Upon motion duly made and seconded, the Board voted unanimously to approve (1) the Engineer's Report, and (2) proceeding with the hatch inspection of the ground storage tank at water plant 3.

### **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**

Ms. Parker updated the Board on legislative matters.

### **Resolution Regarding Annual Review of Red Flags Policy**

Consideration was next given to a proposed Resolution Regarding Annual Review of Red Flags Policy.

Upon motion duly made and seconded, the Board voted unanimously to approve the Resolution Regarding Annual Review of Red Flags Policy. A copy of said Resolution is on file in the official records of the District.

**TRASH CONTRACT**

The Board recognized Mr. Ballowe who addressed the Board concerning the trash issues, specifically the second trash collection on Saturdays, trash trucks speeding in the subdivision, and recycling.

**WEBSITE**

No action was taken on the website.

**AUDIT FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

The Board recognized Ms. Hanna, who submitted to and reviewed with the Board the audit for fiscal year ended December 31, 2018.

Upon motion duly made and seconded, the Board voted unanimously to approve the audit for fiscal year ended December 31, 2018, a copy of which is on file in the official records of the District.

**PUBLIC HEARING BOND ELECTION**

At this time the Board conducted a public hearing on the Bond Election scheduled for May 4, 2019.

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

Approved this 5-13-19.

  
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Secretary, Board of Directors