

CY-CHAMP PUBLIC UTILITY DISTRICT
Minutes of Meeting of Board of Directors
September 16, 2021

The Board of Directors of Cy-Champ Public Utility District (the “District”) met at 13455 Cutten Road, Suite 1A, Houston, Texas on September 16, 2021, in accordance with the duly posted notice of said meeting, with a quorum of directors present as follows:

Ron Walkoviak, president
Richard M. Spurlock, vice president
Harold W. Greer, assistant secretary
Polly Looper, security coordinator

and being absent:

Shelley Serres, secretary

Also present were HCCO Sgt. Anthony Sebastian, Corey Howell of The GMS Group, L.L.C., Michelle Guerrero of Bob Leared Interests, Inc., Debra Loggins and Tiffany Loggins of L&S District Services, LLC, Mike Plunkett of Eagle Water Management Company, Dennis Sander and Rene Hurtado of Sander Engineering Corporation, and Mark W. Brooks of Young & Brooks.

The president called the meeting to order and declared it open for such business as might come before it.

APPROVAL OF MINUTES

Upon motion duly made, seconded and unanimously carried, the board approved the minutes of the August 19, 2021, August 26, 2021, and September 2, 2021 meetings as presented.

CANCELLATION OF ELECTION

Mark W. Brooks of Young & Brooks, the District's attorneys, reported that the candidates for the directors election scheduled for November 2, 2021 are unopposed. Pursuant to the Order for Election of Directors adopted previously by the board, upon certification that each candidate whose name is to appear on the ballot is unopposed, the board of directors is to declare each unopposed candidate elected to the office, and the election will not be held. After discussion, upon motion duly made, seconded and unanimously carried, the board adopted the attached Order for Cancellation of Election.

TAX RATE

Corey Howell of The GMS Group, L.L.C., the District’s financial advisors, distributed and reviewed a memorandum and spreadsheet regarding the District’s financial requirements to be met

with the tax levy for 2021. After review and discussion, the board determined that the District is not a “Developed District” as defined by Texas Water Code Section 49.23602. Based upon the District’s taxable value as certified by the Harris County Appraisal District, GMS is recommending a debt service tax rate of \$0.15, a water, sewer, and drainage system maintenance tax rate of \$0.10, and a recreational facilities maintenance tax rate of \$0.10, for a total 2021 tax rate of \$0.35. After discussion, upon motion duly made, seconded and unanimously carried, the board authorized the publication of the District’s proposed 2021 tax rate as recommended by GMS. The board determined to formally adopt the tax rate at the next regular board meeting, and Mr. Howell excused himself from the meeting.

TAX ASSESSOR CONTRACT

After discussion, upon motion duly made, seconded and unanimously carried, the board approved an Assignment and Assumption of Agreement for Services of Tax Assessor and Collector, and an Addendum to Agreement for Services of Tax Assessor and Collector Concerning Texas Tax Code Sections 26.17-26.18 and Government Code 2051.202 Compliance.

MONTHLY REPORTS

Security Coordinator Polly Looper and HCCO Sgt. Anthony Sebastian reported as to matters regarding security within the District.

Michelle Guerrero of Bob Leared Interests, Inc., the District's tax assessor, reported as to the status of District tax collections. Ms. Guerrero reported that the District is 98.506% collected for 2020 taxes.

The board considered a request received from the owners of Château Cocomar that the District waive penalties and interest which have accrued on their 2019 and 2020 taxes because of their difficult financial circumstances, and that the District allow them to pay the total due for tax year 2019 by September 30, 2021, and the total due for tax year 2020 by October 31, 2021. After discussion, the board determined that the Tax Code does not allow a waiver of penalties and interest in the circumstances, but upon motion duly made, seconded and unanimously carried, the board did approve the payment plan proposal.

Debra Loggins and Tiffany Loggins of L&S District Services, LLC, the District's bookkeeper, presented their monthly report. They also presented to the board a list of bills for the approval of payment, a copy of which is attached hereto.

Mike Plunkett of Eagle Water Management Company (Eagle), the District's operator, presented a written summary report regarding District operations and facilities. Mr. Plunkett reviewed the report with the board and responded to questions.

Dennis Sander of Sander Engineering Corporation (SEC), the District's engineers, presented a written summary report regarding the status of pending District projects. Mr. Sander reviewed the report with the board and responded to questions.

Mr. Sander presented a Final Accounting Package received from Harris County for the Champions Drive Improvement Project completed last year, indicating that the District owes the County a balance of \$29,653.13 for relocation of the District's facilities. After review and discussion, the board had no objections to the County's calculations.

Upon motion duly made, seconded and unanimously carried, the board approved all consultant reports not already approved by separate motion, and payment of all bills presented.

CONSULTANT CONTRACTS

After discussion, upon motion duly made, seconded and unanimously carried, the board approved a Service Agreement with Clark Condon Associates, Inc. for landscape architecture services as per the board's prior decision to engage them.

KLEINWOOD JOINT POWERS REPORT

Board member Richard Spurlock reported as to matters pending before the Kleinwood Joint Powers Board (the "JPB"). The contractor for the Reclaimed Water WWTP Facility Improvements project (N&S) is at Phase 2 of the construction sequencing and is currently constructing the concrete filter basin structure.

As reported previously, during installation of the 12-inch reclaimed water line under Champions Forest Drive, the pipe became lodged inside of the steel casing. While the contractor for the Reclaimed Water Line project (G&A) was on-site attempting to re-bore the steel casing underneath Champions Forest Drive, one of the Cypress Forest PUD water mains in the vicinity burst, resulting in a large washout underneath the road near the bridge over Cypress Creek. The road repairs were performed by the County during the week of August 23rd and the roadway was reopened for traffic. G&A successfully completed the bore of the steel casing underneath Champions Forest Drive in the modified location this past Friday. The next step will be to install the reclaimed water line within the steel casing, which is scheduled to be completed once the current Tropical Storm Nicholas weather system moves out.

PENDING BUSINESS

The board scheduled a special meeting for 10:00 a.m. on Tuesday, September 21, 2021, for a park planning workshop and site review.

There being no further business to come before the board, the meeting was adjourned.

Secretary

Attachments - Order for Cancellation of Election
Bookkeeper's Report