

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

The Board of Directors of Cy-Champ Public Utility District (the “District”) met at 13455 Cutten Road, Suite 1A, Houston, Texas on December 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  
Shelley Serres, secretary  
Harold W. Greer, assistant secretary  
Polly Looper, security coordinator

and being absent:

None

Also present were Cheryl Whitfield of the National Memorial Ladies, Tim Applewhite of McGrath & Co., PLLC, HCCO Sgt. Anthony Sebastian, Michelle Guerrero of Bob Leared Interests, Inc., Tiffany Loggins of L&S District Services, LLC, Mike Plunkett of Eagle Water Management Company, Dennis Sander and Rene Hurtado of Sander Engineering Corporation, Katie Golarri of Clark Condon Associates, Inc., 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 November 18, 2021, November 22, 2021, and December 9, 2021 meetings as presented.

**NATIONAL MEMORIAL LADIES**

Cheryl Whitfield of the National Memorial Ladies reported as to plans for coming events at the Fallen Warriors Memorial. She also presented a slide show of photographs from a recent Laying of the Wreaths ceremony at the Memorial that was attended by the Patriot Guard Riders.

**AGREEMENT FOR LAW ENFORCEMENT SERVICES**

After discussion, upon motion duly made, seconded and unanimously carried, the board approved a new Interlocal Agreement with Harris County for Law Enforcement Services during the county’s 7-month fiscal year ending September 30, 2022.

## **NHCRWA FEES**

After discussion, upon motion duly made, seconded, and unanimously carried, the board approved setting the NHCRWA fee for District customers at \$4.05 per 1000 gallons, commencing with the January, 2022 customer billings.

## **AUDITOR ENGAGEMENT**

Tim Applewhite of McGrath & Co., PLLC, presented an updated evergreen form of engagement letter for McGrath & Co., PLLC as auditor for the District reflecting new auditing standards, along with his fee estimate of \$15,000 to perform the annual audit of the District's accounts for FYE 2021. The board expressed concerns with respect to the auditor's failure in recent years to alert the board to the fact that the District did not have a written contract in place with the previous landscape maintenance contractor to test invoicing against. The board asked that Mr. McGrath proceed with his prior offer to review landscape maintenance invoicing during the last two years to be sure that the charges were fair and reasonable. The board also requested a separate proposal for an Agreed Upon Procedures review of the District's current contracts. After discussion, upon motion duly made, seconded and unanimously carried, the board approved the new auditor engagement letter and confirmed the engagement of McGrath & Co., PLLC, to perform the audit of the District's accounts for fiscal year ending 2021 under the terms of the new engagement letter.

## **ADOPT BUDGET**

Tiffany Loggins of L&S District Services, LLC, the District's bookkeeper, presented a draft of the proposed budget for the District's fiscal year ending December 31, 2022. She reviewed the proposed budget with the board in detail and responded to questions. After discussion was concluded, upon motion duly made, seconded and unanimously carried, the board adopted the budget as presented but with revisions discussed during the meeting, subject to review and further revision as additional projected cost information becomes available.

## **CONSULTANT / VENDOR CONTRACTS**

Katie Golzarri of Clark Condon Associates, Inc. (Clark Condon) presented, reviewed, and upon motion duly made, seconded and unanimously carried, the board approved a proposal by Clark Condon for landscape architectural design services in connection with the Cy-Champ Park Existing Trail Renovation.

After discussion, upon motion duly made, seconded and unanimously carried, the board approved a Service Contract with Jinco, Inc. for interim landscape maintenance services as per the board's prior decision to engage them pending solicitation of proposals for a long-term landscape maintenance agreement.

## **MONTHLY REPORTS**

Ms. Guerrero reported as to the status of District tax collections. The District is 98.634% collected for 2020 taxes, and over 99% collected for all prior years.

Tiffany Loggins of L&S District Services, LLC, the District's bookkeeper, presented their monthly report. She 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.

After discussion, the board unanimously agreed to defer termination of service to delinquent accounts until January.

Mr. Plunkett recommended, and after discussion the board unanimously authorized NTS to install back-up level sensing equipment at both of the District's water plants to prepare for future freeze events.

The District's service to Château Cocomar has been terminated for non-payment. Mr. Plunkett reported that apparently Château Cocomar has initiated water service from a private well, in which case they may be discharging wastewater to the District's collection system without establishing an account with the District. After discussion, the board unanimously authorized termination of sanitary sewer service to Château Cocomar following 30 days notice unless Château Cocomar pays their delinquent taxes due the District and establishes an account with the District for service.

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 reported that SEC is having a survey prepared for the proposed dog park tract, which is being donated to the District for park and storm water detention purposes. Mr. Sander will provide a description of the tract and of the 15-foot wide connector tract running along the east side of Cutten from Napier to the north Garden Park tract for purposes of conveyance to the District.

SEC is proceeding with design work to add an emergency generator to the lift station on Haynes Road, and will request proposals to purchase the generator when design is complete.

Mr. Sander reported that the Kleinwood Joint Powers Board (JPB) received an informal inquiry from Harris County WCID No. 119 regarding the feasibility of sending their wastewater to

the Kleinwood Joint Powers WWTP. Their average daily flow is between 400,000 – 600,000 gallons per day with a projected ultimate usage of 800,000 gallons per day. The JPB districts are individually considering whether they have surplus capacity that they could sell. Mr. Sander recommended that the District retain at least 950,000 gpd capacity in the plant.

Mr. Sander presented and after discussion, upon motion duly made, seconded and unanimously carried, the board approved a new schedule of engineering fees, reflecting a 7.0% increase over the 2020-2021 rates based on the Consumer Price Index.

Security Coordinator Polly Looper and HCCO Sgt. Anthony Sebastian reported as to matters regarding security within the District. Ms. Looper updated the other board members on a possible law enforcement cost sharing arrangement with Champions MUD, and on the status of the pending community efforts to increase law enforcement coverage along FM 1960.

Katie Golzarri of Clark Condon Associates, Inc. reported as to the status of matters pending with respect to Cutten Parkway, the Cy-Champ Park, the Cy-Champ Garden Parks, and the Cy-Champ Park Extension. Ms. Golzarri reviewed their report with the board and responded to questions.

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.

### **KLEINWOOD JOINT POWERS REPORT**

Board member Richard Spurlock reported as to matters pending before the Kleinwood Joint Powers Board (the "JPB"). The JPB approved an Assignment of Agreement for Operating Services, and an Assignment of Lease Agreement, by Environmental Development Partners, LLC to Inframark, LLC. Remaining work on the Reclaimed Water WWTP Facility Improvements project (N&S) includes completion of the canopy roof, installation of the piping and meters at the meter station, and electrical programming including installation of the communication network from meter station to plant. Work continues on site restoration at the Cypress Forest PUD park property by the contractor for the Reclaimed Water Line project (G&A).

The engineer for the plant (AEI) presented a proposed amendment their Engineering Services Agreement, including modifications to the labor classifications, hourly billing rates, and annual increases tied to the ECI (Employee Cost Index) as published by the Bureau of Labor Statistics. AEI is requesting formal action be considered in January.

There being no further business to come before the board, the board members and consultants all wished one another a happy and safe Christmas and New Year, and the meeting was adjourned.

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Secretary

Attachments - Bookkeeper's Report