

**CY-CHAMP PUBLIC UTILITY DISTRICT**  
Minutes of Meeting of Board of Directors  
February 16, 2023

The Board of Directors of Cy-Champ Public Utility District (the “District”) met at 13455 Cutten Road, Suite 1A, Houston, Texas on February 16, 2023, in accordance with the duly posted notice of said meeting, with a quorum of directors present as follows:

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

and being absent:

Ron Walkoviak, president

Also present were Corey Howell of The GMS Group, L.L.C., 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, David Beyer of Storm Water Solutions, Dennis Sander of Sander Engineering Corporation, Erin Larimore of Clark Condon Associates, Inc., and Mark W. Brooks of Young & Brooks.

The vice 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 January 19, 2023 meeting as presented.

**SERIES 2023 PARK BOND ISSUE**

It was announced that, pursuant to notice published as required by law, public bids for the sale of the District's proposed \$6,470,000 Series 2023 park bonds were to be received at this time and place. There were presented the following bids at the net effective rates noted:

Robert W. Baird & Co. Incorporated	4.398998%
SAMCO Capital Markets, Inc.	4.416943%
Raymond James & Associates, Inc.	4.541174%
Fidelity Capital Markets	4.641357%
Hilltop Securities Inc.	4.664181%
UMB Bank, N.A.	4.669993%

The bids were carefully considered. Corey Howell of The GMS Group, L.L.C., the District's financial advisors, recommended that the bid of Robert W. Baird & Co. Incorporated, be accepted as it produces the lowest net effective interest rate of the District.

There was presented to the meeting the Bond Order attached hereto for the issuance of the District's \$6,470,000 Series 2023 park bonds, which Bond Order reflected the terms of the low bid of Robert W. Baird & Co. Incorporated. Said order was fully considered by the board, provision by provision.

The board next considered the selection of a paying agent/registrars for the Series 2023 park bonds, and to also handle the closing and distribution of the District's funds and the bonds. The board reviewed the proposed Paying Agent/Registrar Agreement with The Bank of New York Mellon Trust Company, N.A., and the Bank's fees in connection with same.

Mr. Howell reviewed with the board changes to be made in the preliminary official statement to reflect the final terms of the bond issue.

Based upon Mr. Howell's recommendation and advice, it was moved, seconded and unanimously carried that (i) the board and District accept the bid of Robert W. Baird & Co. Incorporated and adopt the attached Order Awarding Sale of the said Series 2023 park bonds to same, (ii) The Bank of New York Mellon Trust Company, N.A. be selected as the initial paying agent/registrars, and further that the President and Secretary be authorized to sign the Paying Agent/Registrar Agreement on behalf of the District, (iii) the Bond Order be passed and adopted as presented, and the Vice President and Secretary be authorized to sign same on behalf of the District, (iv) the financial advisor be authorized to issue the final official statement, dated February 16, 2023, with the corrections deemed necessary to properly reflect the terms of the District's Series 2023 park bonds, (v) the District's officers be authorized to execute the numerous documents and letters presented to the board in connection with the issuance of the Series 2023 park bonds and transcripts, and to execute any further documents required by the attorney general or by the bond insurer in connection with the approval and delivery of the Series 2023 park bonds, (vi) The GMS Group, L.L.C. and Young & Brooks in their respective capacities, be authorized to finalize matters concerning the issuance, delivery and funding of the bonds upon approval of the attorney general, and (vii) the District's officers and consultants be authorized to take all necessary actions for the timely issuance and delivery of the Series 2023 park bonds.

## **TAX EXEMPTIONS AND COLLECTION PENALTIES**

Michelle Guerrero of Bob Leared Interests, Inc., the District's tax assessor, advised the board that it would be appropriate for the District to consider any revisions it wishes to make to the District's tax exemptions for purposes of the 2023 tax year, and also whether to continue the authorized implementation of the tax collection penalties. After discussion, it was the consensus of the board to (i) continue the homestead exemption for residents of the District in the amount of 20%

of market value or \$5,000, whichever is greater, and the additional homestead exemption for residents of the District who are disabled or 65 years of age or older, in the amount of \$70,000.00, (ii) continue the authorized implementation of tax collection penalties pursuant to Sections 33.07, 33.08 and 33.11 of the Texas Property Tax Code, and (iii) make such exemptions and tax collection penalties applicable for tax year 2023, and continuing thereafter until rescinded or otherwise modified. Proposed resolutions adopting these tax exemptions and tax collection penalties were reviewed. Upon motion duly made, seconded and unanimously carried, the proposed resolutions were passed and adopted, and the District's tax assessor/collector was authorized and instructed to issue the necessary notices for implementation of the penalties at the appropriate times. Copies of the resolutions are attached to these minutes.

### **MONTHLY REPORTS**

Michelle Guerrero of Bob Leared Interests, Inc., the District's tax assessor, reported as to the status of District tax collections. The District is 89.181% collected for 2022 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.

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

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.

David Beyer of Storm Water Solutions (SWS) presented a written report with photographs reflecting their work at the Cutten Road Detention Pond.

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

Erin Larimore of Clark Condon Associates, Inc. (CCA), the District's landscape architects, reported as to the status of matters pending with respect to the District's park system. Ms. Larimore reviewed their report with the board and responded to questions.

Ms. Larimore presented, recommended, and upon motion duly made, second and unanimously carried, the board approved a proposal by Jinco Inc., the District's landscape

maintenance contractor, for spring color change-out along Cutten Parkway and at the Cy-Champ Park Memorials, at a cost of \$6,157.50.

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 plant engineer is currently working on completing the project record drawings for the Reclaimed Water WWTP Facility Improvements project (Contract A with N&S Construction Co., LP), and has closed out the Reclaimed Water Line project (Contract B with G&A Boring Direccional, LLC). Cypress Forest PUD has been paid for the irrigation repairs necessitated by construction of the reclaimed water line.

The plant operator continues to report an abnormally high number of backwash cycles at the filters for the Reclaimed Water Supply System. A site meeting was held on January 17, 2023 to receive recommendations from the manufacturer for additional maintenance to help reduce backwash cycles. The manufacturer provided a written list of recommendations for the operator to perform daily over the course of a few weeks to see if the number of backwash cycles comes back down to normal. A site meeting was scheduled for February 7, 2023 to discuss the findings with the contractor, operator, and filter manufacturer. The engineer is also looking into any necessary modifications to improve the sludge draining system, which may be affecting performance of the filters.

### **PENDING BUSINESS**

After discussion, the board decided to limit the refunding proposition for the pending bond election to park refunding bonds only.

The board discussed the possibility of developing a District website. Mr. Spurlock will look into the pros and cons.

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

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Secretary

Attachments - Order Awarding Sale of Bonds  
Bond Order

Resolution Concerning Exemptions from Taxation  
Resolution Authorizing Additional Penalties on Delinquent Taxes  
Bookkeeper's Report