

## CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
February 24, 2016

The Board of Directors ("Board") of Cypress Creek Utility District ("District") met at its regular meeting place within the District at the Mills Walk Clubhouse, 10643 Mills Walk Drive, Houston, Texas, on February 24, 2016, in accordance with the duly posted notice of said meeting, with a quorum of Directors present, as follows:

Glenn Land, President  
Harvey W. Roensch, Secretary  
Rob Nixon, Director

and the following absent:

Robert Jackson, Vice President  
Chris Stanley, Director.

Also present were Ms. Robin Goin, tax assessor-collector for the District; Ms. Tricia Hollingsworth, representing the District's operator; Ms. Sarah Redden, bookkeeper for the District; Mr. Erik Miller, the District's engineer; and Mr. W. James Murdaugh, Jr., attorney for the District.

The President called the meeting to order and declared it open for such business that might regularly come before it.

1. The Board reviewed the minutes of the meeting held on January 27, 2016. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Ms. Redden presented the bookkeeper's report, a copy of which is attached. The Board reviewed and approved the investment report. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and the checks listed thereon.

3. The Board next conducted its annual review of the District's Investment Policy and list of qualified brokers, and after a brief discussion unanimously approved the attached Resolution affirming the existing policy and brokers.

4. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 99.171% collections for 2014 taxes, and 92.788% collections for 2015 taxes (close to 95% as of this date). The current taxable value in the District stood at \$172,317,658. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

5. Mr. Miller presented the engineer's report, a copy of which is attached. Good progress continued to be made on the Anderson Ditch project, with completion expected before June. There was no new information concerning the project at the regional sewage treatment plant, and the water plant conversion project was temporarily on hold pending approval of related plans by Harris County.

6. Ms. Hollingsworth presented the operations report, copy attached, which showed 882 active residential connections during the previous month and 98% water accountability. The Board noted the information contained in the report concerning samples of the water supply during the previous month with satisfactory results. On the operator's recommendation, the Board authorized writing off three accounts as uncollectible in the total amount of approximately \$293. The operator then submitted a list of delinquent accounts to the Board for termination of utility service and stated that the accounts in question have been given written notification of the opportunity to appear, either in person or in writing, at the Board meeting to contest, explain, or correct the charges, services, or disconnection. The operator noted that the accounts listed have neither attended the Board meeting nor contacted the operator's office or the District to contest or explain the charges. After discussion, upon motion duly made, seconded and unanimously carried, the Board authorized the District's operator to proceed with termination of utility service to said accounts pursuant to the provisions of the District's Rate Order.

7. The Board next considered the District's identity theft prevention/red flag policy. The operator confirmed that the policy was performing well, with no changes

recommended, and accordingly the Board unanimously approved the attached Resolution affirming the existing identity theft prevention/red flag policy. According to Director Roensch, there was no new information to present as far as the Lake Forest regional sewage treatment plant was concerned. President Land then addressed various North Harris County Regional Water Authority matters. He reported that usage had declined significantly during the previous month, and the Board agreed to provide information concerning irrigation water conservation to District customers in the near future. He also reported on ongoing discussions among himself, Director Jackson, and Mr. Ciarella, the District's energy consultant. Prices for electricity continue to decline, so no action on the District's existing electrical contract appeared appropriate at this time.

8. The Board next addressed matters regarding the May 7, 2016 directors election. Pursuant to the relevant provisions of the Texas Election Code, the Secretary presented to the Board an executed Certificate of Unopposed Candidacy and No Declared Write-In Candidates. After reviewing the Certificate and determining that no proposition is to appear on the ballot, and upon motion duly made, seconded and unanimously carried, the Board accepted the Certificate and adopted the attached Order Declaring Unopposed Candidates Elected and Canceling Election. The Board then noted that a copy of said Order would be posted at the District's polling place no later than 7:00 a.m. on May 7, 2016 and the Order would remain posted until 7:00 p.m. on that day.

9. The attorney stated that his office continued to review the proposed contracts for operation and maintenance of Badger smart meters, and he expected to have a final recommendation at the March meeting. The attorney also distributed a memorandum concerning current requirements for District websites, and stated his office was communicating with Ms. Polly Weston, who manages the District's website. President Land confirmed that the Board expected to take no further action with regard to any contract for security, and the Board would be willing to consider the matter again next year if it appeared that the community desired such service.

10. Finally, the Board considered the status of the District's contract for supplying water and sanitary sewer service to Cy-Fair Independent School District. The attorney

noted that the contract would expire next month, and accordingly the Board unanimously approved an amendment to the contract extending current provisions for another 10 years. Execution of the amendment by the President and Secretary was authorized.

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

Harvey W. Roensch  
Secretary