

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
March 23, 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 March 23, 2016, in accordance with the duly posted notice of said meeting, with a quorum of Directors present, as follows:

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

and the following absent:

Chris Stanley, Director.

Also present were Ms. Sarah Redden, bookkeeper for the District; Ms. Patty Rodriguez, representing the District's tax assessor-collector; Mr. Erik Miller, engineer for the District; Ms. Christine High and Mr. Dewayne High, District operators; 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 February 24, 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 also reviewed and approved the investment report and the energy consumption report. The Board took note of an apparently incorrect invoice from Harris County for security services and asked that the check and invoice be returned to Harris County unpaid; the District has no contract for security services with the County. Subject to that discussion, upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and the checks listed thereon.

3. President Land discussed various requirements for the District's website, and stated that pursuant to recent correspondence with Ms. Polly Weston the District appeared to be in compliance with current requirements. The attorney confirmed that his office would complete the annual continuing disclosure filing as required by District bond issues.

4. Mr. Miller presented the engineer's report, a copy of which is attached. The contractor was making excellent progress on the Anderson Ditch project, which should be completed by mid-June. There was no new information concerning the lift station project at the regional sewage treatment plant, and the engineers were currently working on a risk management plan for the project. The North Harris County Regional Water Authority and the chloramine conversion project was moving very slowly.

5. Mr. High presented the operations report, a copy of which is attached, which showed 1,004 active connections with 98% water accountability. Water usage had increased significantly from the previous month. Five bacteriological samples had been taken with good results. Mr. High then discussed a proposal for replacing booster pump no. 3 at the water plant at an estimated cost of \$10,810. On his recommendation, the Board approved the project and requested that the necessary 1295 filing be made. The operator then noted that the Colby account had been paid in full, after which he discussed the lack of communication with the owners of a house on Laneview and his inability to perform the required inspection. He further addressed construction projects along Grant Road and confirmed that he was coordinating with the contractor in that regard. No write-offs were presented by the operator. 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.

6. The Board discussed recent information concerning the District's annual Consumer Confidence Report ("CCR") and requested that the current CCR be placed on the

District's website, with the understanding that a new CCR would be promulgated in several months.

7. Ms. Rodriguez presented the tax assessor-collector's report, a copy of which is attached. The District's 2015 taxes were 94.86% collected, and virtually all previous taxes were over 99% collected. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

8. There was no new information to present as far as the Lake Forest regional sewage treatment plant was concerned, and President Land discussed the current status of the North Harris County Regional Water Authority. He further confirmed that, unlike the City of Houston, the District's contract with Waste Management for garbage collection still included the availability of recycling glass.

9. The attorney discussed the status of the proposed contract with Badger Meters for smart meter replacement. He reviewed a recent meeting with Badger representatives and an additional one which was scheduled in early April. He stated that he hoped all contracts would be available for final approval and execution at the April meeting. He further confirmed receipt from Cy-Fair ISD of an approved and executed amendment to the utility agreement with Cy-Fair extending the term of the agreement for an additional 10 years—until March 12, 2026.

10. Finally, the Board discussed the status of the District's contract for electricity. President Land and Director Jackson continued to work on the project, and it was Director Jackson's desire to obtain a new contract, to commence upon the expiration of the current contract, that will have a term of 54 to 60 months. The Board agreed to continue to monitor the situation and also requested that the District's electricity consultant, Mr. Ciarella, be present at the April meeting.

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


Secretary