

✓

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
April 27, 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 April 27, 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. Christine High and Mr. Dewayne High, District operators; Mr. Erik Miller, engineer for the District; Ms. Robin Goin, tax assessor-collector for the District; Mr. Dave Ciarella with Enhanced Energy Services of America, LLC, the District's energy consultant; 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 March 23, 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 as well as the purchased water and energy consumption reports. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and the checks listed thereon.

3. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 96.080% collections for 2015 taxes and 99% or better for all prior years. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. Mr. Miller presented the engineer's report, a copy of which is attached. He noted that the Anderson Ditch project had been delayed as a result of recent flooding and related weather issues. No issues had occurred with respect to the Lake Forest regional sewage treatment plant project, which had been completed. The engineer for Lake Forest is preparing a risk management plan. Work continues on the conversion to chloramines at the District's water plant although at a very slow pace due to surface water projects from the North Harris County Regional Water Authority being temporarily on hold, specifically including the surface water line which would otherwise serve the District.

5. Mr. High presented the operations report, copy attached, which showed 1,003 active connections during the previous month and only 91% water accountability. Five bacteriological samples had been made of the District's water supply system, all with good results. Water usage had increased during the month of March, and the operator confirmed that he had completed and filed the water audit required by the Texas Water Development Board once every five years. No accounts were presented for writing off. 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, provided however that if any of the subject accounts were victims of the recent flooding, the operator would delay termination 30 days or more as necessary.

6. The Board, engineer, and operator entered into a discussion as to the possible replacement of certain water lines in the District. The engineer and operator agreed to coordinate on the matter, and the engineer agreed to review the District's capital improvement plan and present a cost estimate for the possible project at the next meeting.

7. Due to recent flooding after heavy rains in the District, the Board discussed possible actions to prevent storm water flow from entering the District's sanitary sewer system. Mr. Miller stated that the Board could consider smoke testing, and stated that many problems were the result of missing caps on clean-outs located on residents' property. The Board agreed to continue considering the matter and also requested that the operator provide information concerning missing clean-out caps in future water bills.

8. Ms. High presented new contracts with Pace Payment Systems for bill payment by credit card, debit card, or by automatic withdrawal by District customers, and the Board approved the contracts and authorized their execution.

9. Director Roensch reviewed information concerning the operation of the Lake Forest regional sewage treatment plant during the recent flooding and the repairs which had been required. He was of the opinion that all things considered the plant worked acceptably, and the plant operators did an excellent job of maintaining and repairing the plant.

10. President Land stated that the meeting of the North Harris County Regional Water Authority originally scheduled for April 21st had been cancelled and would be rescheduled at some point in the future.

11. The attorney stated there was no new information concerning the Badger Meter, Inc. system and the proposed contract with Accurate Utility Supply. Attorneys were providing comments and recommended changes to the proposed contract.

12. Mr. Ciarella then approached the Board to review the current status of the electrical market and bids he had received this date. After a full review and discussion, the Board approved a contract for 46 months with Gexa Energy and authorized President Land and/or Director Jackson to act on behalf of the District.

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

Harvey W. Roensch
Secretary