

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors

May 25, 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 May 25, 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. Robin Goin, tax assessor-collector for the District; Ms. Christine High, the District’s operator; Mr. Erik Miller and Mr. Jeff Pena, engineers for the District; Ms. Sarah Redden, the District’s bookkeeper; 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 April 27, 2016. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Ms. Goin presented the tax assessor-collector’s report, a copy of which is attached. She noted 96.787% collections for 2015 taxes and greater than 99% 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.

3. Ms. Redden reviewed the bookkeeper's report, copy attached, and 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.

4. The Board then discussed engineering matters with Mr. Miller, who introduced Mr. Pena with his office and stated that he would be attending District meetings in the future. The engineer and the Board continued to have discussions concerning the recent flooding in the District and possible actions the District could take to ameliorate flooding. Mr. Miller discussed the Anderson Ditch project and confirmed it should be completed within two or three weeks. There were no significant items related to the Lake Forest regional sewage treatment plant project, although some damage had been caused by the recent flooding, and an insurance claim had been submitted. The water plant conversion to chloramines was continuing and is being coordinated with the design of the North Harris County Regional Water Authority's surface water line to the plant, which project is temporarily on hold.

5. Mr. Miller then discussed possible replacement of District water lines, and stated the operator had provided information concerning priorities and recommendations for replacement of approximately 7,266 feet of water line at an estimated cost of \$800,000. The engineer was also looking at various options for testing the lines, including a ground penetrating radar system. The engineer also discussed smoke testing the sanitary sewer lines in the District for approximately 65,500 linear feet at an estimated cost of \$23,000, with the proviso that the smoke testing should be performed after the ground dries from recent rains.

6. The Board next reviewed and approved the certificates of election of Director Roensch and Director Stanley, who were re-elected to the Board of Directors as a result of the May 7, 2016 directors' election having been canceled. The Board also reviewed Director Roensch's oaths, qualification letter and statement of elected official. Upon motion duly made, seconded and unanimously carried, the Board voted to approve the qualifications and statement as well as the oath of office of Director Roensch, and declared him to be fully qualified to enter into his next four-year term as a member of the Board of Directors. All Board members present also completed their annual director conflicts disclosure questionnaires.

7. The Board next discussed the possible election of District officers, and after a brief discussion unanimously agreed that the existing officers should remain the same—which are Glenn Land, President; Robert Jackson, Vice President; and Harvey W. Roensch, Secretary.

8. Ms. High presented the operations report, copy attached, which showed 1,002 active connections but only 91% water accountability. Five bacteriological samples had been taken of the water system with good results. On the operator's recommendation the Board authorized writing off two accounts totaling approximately \$115, and Ms. High confirmed that her office had made contact with the owner of the residence located at 10602 Laneview for the required customer service inspection. She also informed the Board that the Badger gateway antenna had been damaged and was being replaced. A new management company had been engaged by the Norchester Homeowners' Association, and the Board authorized the operator to require a deposit for the new account as set out in the District's Rate Order. Ms. High also confirmed that the operator would complete the annual critical load filing and submission of emergency operations information, and would supply a copy the attorney for the District's files. 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.

9. Director Roensch had no new information with respect to the Lake Forest regional sewage treatment plant, and President Land then discussed various matters relating to the North Harris County Regional Water Authority, which was applying to the Texas Water Development Board for a loan in the amount of \$117,855,000 for a pump station at Highway 249. At its recent meeting the North Authority had also discussed water quality issues resulting from the recent flooding situation.

10. The attorney stated that his office continued to review the various contracts for conversion to Badger meters, and the Board confirmed that the new energy contract for electricity discussed at the previous meeting had been executed and was in place.

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


Secretary