

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
June 22, 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 June 22, 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; Mr. Dwayne High and Ms. Christine High, the District’s operators; Mr. Erik Miller and Mr. Jeff Pena, engineers for the District; Ms. Sarah Redden, the District’s bookkeeper; and Mr. J. Davis Bonham, 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. There were no residents in attendance.
2. The Board reviewed the minutes of the meeting held on May 25, 2016. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.
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 reviewed the ethics letter and update from the District's investment officer. The Board noted that no conflicts were disclosed.

5. Ms. Goin presented the tax assessor-collector's report, a copy of which is attached. She noted 97.16% collections for 2015 taxes and greater than 99% for all prior years. Ms. Goin informed the Board that she has received preliminary taxable values for the District which reflect an increase in total taxable value of approximately \$18,000,000. Ms. Goin then presented a tax rate map for the Board's review. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

6. The Board then discussed engineering matters with Mr. Miller and Mr. Pena. The engineers discussed the Anderson Ditch project and informed the Board that the repairs are behind schedule and that he has requested a schedule for completion of the project. The engineers then updated the Board on the status of the Lake Forest Regional Wastewater Treatment Plant. The engineers informed the Board that a bid package is being prepared to recoat the air header piping. 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. Upon motion duly made, seconded, and unanimously carried, the Board approved the engineering report as presented.

7. Mr. Miller and Mr. Pena then addressed the Board regarding the replacement of water and sanitary sewer lines in the District. The engineers recommended replacement of lines that have been identified by the District's operator and then a review of the impact of the repairs on accountability. The engineers informed the Board that there is an immediate need to perform smoke testing of the sanitary sewer lines and to perform repairs to limit infiltration. The engineers then reviewed plans for the cleaning and televising and replacement of the sanitary sewer collection lines. The engineers discussed proposed funding needs and the timeline for replacement. The engineers informed the Board that they will be preparing a cost summary for the first phase of repairs for review and consideration by the Board.

8. Ms. High presented the operations report, copy attached, which showed 1,001 active connections and 95% water accountability. Five bacteriological samples had been taken of the water system with good results. The operator reviewed recent water consumption with the Board and noted that consumption has been reduced dramatically due to recent rainfall. The operator then presented a request from the owner of 10724 Grant Road for a reduction in a large water bill resulting from a service line leak. The operator reviewed the bill with the Board. The Board agreed to reduce the sanitary sewer charges on the bill to an average monthly bill and to offer a three month payment plan. 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. The Board considered the annual Consumer Confidence Report. The operator distributed the report for the Board's review and consideration. Upon motion duly made, seconded, and unanimously carried the Board approved the Consumer Confidence Report as presented and authorized distribution thereof.

10. Director Roensch addressed the Board regarding the Lake Forest regional sewage treatment plant. Director Roensch reviewed planned maintenance at the facility.

11. President Land then discussed various matters relating to the North Harris County Regional Water Authority including low consumption levels and 2025 distribution system plans. Mr. Land noted that the Authority will be holding an election in November.

12. The attorney stated that his office continued to review the various contracts for conversion to Badger meters.

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

Harvey W. Roessel
Secretary