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CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
July 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 July 27, 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. Sarah Redden, bookkeeper for the District; Mr. Jeff Pena, the District's engineer; Ms. Patty Rodriguez, representing the tax assessor-collector for the District; Ms. Tricia Hollingsworth and Ms. Amanda Henderson, operators for the District; 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 June 22, 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 noted the energy consumption report and 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. Ms. Rodriguez presented the tax assessor-collector's report, copy attached, which showed 97.876% collections for 2015 taxes and greater than 99% for all prior years. The

preliminary taxable values for 2016 stood at \$190,719,337. The Board reviewed the delinquent tax list. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. Mr. Pena presented the engineer's report, a copy of which is attached. He noted a request for service on 23 acres in the District requiring approximately four connections of capacity for a Kids' Camp soccer field. The Board authorized the engineer and operator to proceed with the project upon receipt of any necessary additional information and/or plans required by the engineer. The Anderson Ditch project was substantially complete. The engineer then reviewed the need for the District to seriously consider replacement of all water lines and rehabilitation of sanitary sewer lines. The engineer submitted proposals from Magna Flow to perform smoke testing in Norchester, Section Three, at a cost of \$7,912, and cleaning and televising in Section Three at a cost of \$18,681. After a discussion, the Board approved both projects as recommended by the engineer and conditioned on receipt of the necessary 1295 forms.

5. Mr. Pena further stated that the water line project would cost approximately \$8 million, and the sanitary sewer rehabilitation project would cost approximately \$4 million. The attorney was directed to contact the District's financial advisor to discuss possible means of financing the projects in the years ahead. The Board also asked the operator to ascertain whether a recent fiber optic cable installation had cut District water lines.

6. The conversation returned to the status of the Anderson Ditch project, and Mr. Pena confirmed that the County was working on final punchlist items, and he agreed to request additional information from Harris County. He also reviewed with the Board a map of proposed water lines being installed by the North Harris County Regional Water Authority.

7. Ms. Hollingsworth presented the operations report, copy attached, which showed 1,001 active connections with 93% water accountability. Pumpage remained below average, and during the previous month five bacteriological tests had been performed on the water system with uniformly good results. On the operator's recommendation, six accounts were approved to be written off in the total amount of approximately \$1,074. The operators also agreed to format their monthly reports so that connections could be ascertained by subdivision.


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.

8. Director Roensch discussed the status of the Lake Forest regional sewage treatment plant and advised that bids had been advertised for paint work to be performed in September. President Land then discussed information relating to the North Harris County Regional Water Authority.

9. The Board reviewed recent correspondence from Ms. Polly Weston concerning conclusion of her services maintaining the District's website. The Board agreed to take the matter under advisement for future action, and requested that the attorney contact her to ascertain whether the website actually received significant use. The attorney also agreed to ask whether she would maintain the website through the end of the year.

10. Finally, the attorney discussed the status of the Badger Meter installation project. He expected to have contracts available to be signed at the August meeting, and requested that at that time the operators provide a firm estimate of all costs relating to the purchase of the meters and the cost of installation.

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


Secretary