

## CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
November 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 November 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 Mr. Jeff Pena, the District's engineer; Ms. Claudia Redden, bookkeeper for the District; Ms. Robin Goin, tax assessor-collector for the District; Ms. Christine High and Mr. Dewayne High, District operators; Ms. Terry Dildy, a resident of 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 October 26, 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, copy attached, which showed 98.763% collections for 2015 taxes and 0.187% collections for 2016 taxes as of the end of October. The Board requested that the attorney present a delinquent tax report at the December meeting. Subject to that discussion, 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 presented the bookkeeper's report, copy attached. The Board reviewed and approved the investment report and also noted the energy consumption report. Subject to that discussion, upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and the checks listed thereon.

4. The Board next discussed a Resolution approving the annual budget of the Lake Forest Plant Advisory Council, and after a brief review the proposed Lake Forest budget was unanimously approved in accordance with the Resolution which is attached.

5. Mr. Pena presented the engineer's report, a copy of which is attached. He addressed recent work at the Lake Forest regional plant, and also discussed an issue relating to a grease trap at the Napoli restaurant in the District. The grease trap appears to be undersized, and the attorney was requested to write the customer providing notice of the requirement of a larger grease trap. Mr. Pena also reviewed recent communications with the Harris County Flood Control District concerning the need to remove certain dead trees. No satisfactory response had yet been received, and the Board requested that the engineer continue to attempt communication and that the attorney send a letter addressing the issue of the 10 to 12 dead trees.

6. The engineer reviewed the status of the Mills Walk lift station rehabilitation project, and confirmed that he expected work to begin in the very near future. The topographical survey relating to the Balcrest Drive and Jones Road water line replacement project which was discussed at the October meeting has been authorized, and a geotechnical proposal is being reviewed by the engineer and will be presented to the Board at its next meeting. With respect to sanitary sewer line issues in Norchester, Section Three, the engineer confirmed that his office was reviewing the smoke testing report and additional findings of Magna Flow. The engineers are also reviewing the sanitary sewer video and related report, and will prepare drawings and specifications for the work once the sanitary sewer videos have been completely reviewed. Finally, the engineer and attorney confirmed that after additional discussions with the financial advisor the proposed bond application to the Texas Water Development Board would utilize the program that provides the lowest interest cost to the District. The Board expressed its appreciation and directed the engineer to proceed with the application.

7. Mr. High presented the operations report, copy attached, which showed 884 residential connections and 1,007 total connections during the previous month, with only 90% water accountability. He reviewed various water main and other repairs, and on the operator's recommendation the Board authorized writing off accounts totaling approximately \$1,949. He also confirmed that the operators were repairing landscaping work at the townhome subdivision in the District as a result of recent repairs. 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. Ms. Shannon Waugh entered the meeting and presented a proposal on behalf of her company, Off Cinco, to maintain the District's website. The Board appeared impressed with the presentation and unanimously approved the proposed contract, subject to legal review by the attorney. The Board also agreed that Director Nixon would be the liaison to Ms. Waugh on behalf of the District.


9. Director Roensch had no new information to present as far as the Lake Forest regional plant was concerned. President Land then reviewed recent events relating to the North Harris County Regional Water Authority including a likely rate increase and the status of the Luce Bayou projects.

10. The attorney stated that at the next meeting his office would have completed its review of consultant insurance requirements. The Board then reviewed and unanimously approved the attached Resolution expressing its official intent to reimburse certain capital costs, currently being paid from the District's General Fund, out of the proposed 2017 bond issue. The Board also unanimously approved the attached Order adopting a Records Control Schedule as well as the Declaration of Compliance with Local Government Records Act.

11. With respect to various pending matters, the attorney confirmed that he had contacted the County Commissioner's office with the decision of the Board to decline participation in a sidewalk project. He also stated that with respect to the Badger smart meter program, under current circumstances no contract with Accurate Meter & Supply was required, but that he and the operator would have the appropriate amendments to the operator's contract available for approval at the next meeting.

12. In that regard, the Board agreed that the December meeting would take place at the its regular date and time.

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

  
Secretary