

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
December 28, 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 December 28, 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:

None.

Also present were Ms. Christine High, Mr. Dewayne High, and Mr. Wesley High, District operators; Mr. Jeff Pena, the District's engineer; Ms. Robin Goin, tax assessor-collector for the District; Ms. Sarah Redden, the District's bookkeeper; Mr. Walter Holmes, 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 November 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 noted the energy consumption report and also reviewed and approved the investment 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.

3. Ms. Goin presented the tax assessor-collector's report, copy attached. The report showed 99.172% collections for 2015 taxes and 9.237% collections for 2016 taxes. Ms. Goin noted that as of today the District's 2016 taxes were approximately 24% collected. 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.

4. Mr. Pena presented the engineer's report, a copy of which is attached. He briefly discussed work at the regional sewage treatment plant, and confirmed that design was ongoing for the Mills Walk lift station rehabilitation project. The survey for water line replacement work on Balcrest Drive and Jones Road was approximately 50% complete, and the engineers are reviewing the sanitary sewer video project for Norchester, Section Three. Once the videos are fully reviewed the engineers will prepare drawings and specifications for the Norchester, Section Three sanitary sewer rehabilitation project. The engineers continue to coordinate with the Texas Water Development Board on the District's pending bond application.

5. The Board then discussed work on proposed soccer fields in the District, and the operators and engineers stated they had received no additional information from the developer of the project. The Board requested that an item for this issue be placed on the January agenda. Mr. Dewayne High then presented the operations report, copy attached, which showed 99% water accountability and 885 active residential connections. Five bacteriological samples had been taken of the District's water supply, all with good results. On the operator's recommendation the Board authorized writing off five accounts for a total of approximately \$619. 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.

6. Director Roensch discussed Lake Forest regional sewage treatment plant issues after which President Land reviewed the recent meeting of the North Harris County Regional Water Authority. He noted that surface water usage in the region of the Authority continued to decrease, and the North Authority fees were expected to increase on April 1, 2017.

7. The attorney confirmed that his office would complete the required eminent domain filing by February 1, 2017, and he then distributed a calendar of District meetings and actions for 2017.

8. The operator and attorney confirmed that they had agreed on a proposed amendment to the operator's contract with the District to address issues arising from the District's smart meter (Badger Meter) project, and after a brief discussion the amendment was unanimously approved and its execution was authorized.

9. President Land discussed issues relating to a customer whose sprinkler lines had reportedly been broken by Harris County workers. The Board agreed to wait and see if the customer obtained relief from the County prior to taking any District action.

10. Mr. Holmes then introduced himself and discussed his history as a resident of the District and his desire to serve as a District director. Accordingly, the Board requested that the January agenda contain an item for the appointment and qualification of a new director.

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


Secretary