

## CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
January 25, 2017

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 January 25, 2017, 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

and the following absent:

Rob Nixon, Director.

Also present were Ms. Robin Goin, tax assessor-collector for the District; Ms. Christine High, Mr. Dewayne High, and Mr. Wesley High, operators for the District; Mr. Jeff Pena, the District's engineer; Mr. Hudson Kennedy, auditor for the District; Ms. Sarah Redden, the District's bookkeeper; Mr. Jim Robertson, with the Cypress Creek Greenway Project; Ms. Margaret Buchanan, 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. Ms. Buchanan approached the Board to discuss the status of her recent, inordinately high water bill as a result of damage done by Harris County. She had documents to provide the Board and told them of efforts she had undertaken to correctly respond to the issue. Mr. Dewayne High was of the opinion that the continuing leaks were due to a damaged sprinkler head. President Land reminded the Board that Ms. Buchanan continued to discuss the matter with Harris County, and the Board agreed to take all her information into consideration for a possible adjustment by the District at some time in the future.

2. Mr. Robertson approached the Board to discuss the Cypress Creek Greenway Project. He provided an update as to various projects including a new passive park

located near the District. He also expressed some concern over new soccer fields apparently being built in the District, and stated that work had recently been red-tagged by Harris County due to lack of an appropriate permit. He requested that the Board consider the possibility of requiring improvements from the developer of the project, and he agreed to contact the attorney for the District in that regard. The Board agreed to take the matter under advisement.

3. The Board then reviewed the minutes of the meeting held December 28, 2016. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

4. The Board next discussed the appointment of a new director, and agreed that the choice of the Board to replace Chris Stanley, who had recently resigned, was Ms. Terry Dildy. The attorney agreed to provide all necessary information to Ms. Dildy so that she could be qualified and appointed at the February meeting.

5. Ms. Redden presented the bookkeeper's report, a copy of which is attached. The Board also reviewed the energy consumption report, and 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.

6. Mr. Kennedy approached the Board to review the District's audit for the fiscal year ended September 30, 2016. He stated that his firm was providing an unqualified opinion on a good, clean audit. He also noted a continuing increase in the General Fund balance of the District over the last five years. After a review and discussion the audit was unanimously approved in substantially the form presented and its filing with all appropriate entities was authorized. The Board also considered and unanimously approved the attached Resolution affirming the District's Investment Policy as well as the list of qualified brokers.

7. Ms. Goin presented the tax assessor-collector's report, a copy of which is attached, which showed 99.296% collections for 2015 taxes and 67.877% collections for 2016 taxes (81% as of this date). Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

8. The Board next considered whether to grant any homestead or related exemptions for 2017 taxes, and after a discussion unanimously approved the attached Order adopting a residence homestead exemption for persons 65 or older or disabled in the amount of \$35,000.

9. Mr. Pena presented the engineer's report, and a copy of his report is attached. He discussed work at the Lake Forest regional sewage treatment plant, the situation with respect to dead trees in the Harris County Flood Control District right-of-way, and the pending grease trap matter at Napoli's Restaurant. He was of the opinion that the grease trap matter had been adequately addressed, but the operator agreed to investigate further. He next discussed various ongoing projects including design for the Mills Walk lift station rehabilitation project and the replacement of water lines at Balcrest Drive and Jones Road. Survey field work was 100% complete, and survey drawings were about 30% complete. His office was reviewing the sanitary sewer video and report for Norchester, Section Three, and would prepare drawings and specifications for the sanitary sewer rehabilitation project once the review was completed. Sander Engineering was making progress on the engineering report for the District's bond application to the Texas Water Development Board, and Mr. Pena expected the report to be complete in approximately two months. The attorney distributed a debt service schedule which had been provided by the financial advisor showing alternate interest rates which the bonds could bear.

10. Mr. High presented the operations report, copy attached, which showed 872 residential connections with 97% water accountability. Five bacteriological tests had been taken, all with good results. No accounts were presented to be written off. The Board expressed interest in possible reuse of effluent from the regional sewage treatment plant, and Director Roensch agreed to discuss the matter at the next regional sewage treatment plant meeting. The Board also discussed numerous fire hydrant repairs with the operator. 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.

11. Director Roensch discussed matters related to the Lake Forest regional sewage treatment plant, and advised that the contract for participation in the regional plant would terminate this June. The attorney agreed to investigate the matter for further discussion in February.

12. President Land then reviewed recent issues concerning the North Harris County Regional Water Authority as well as recent correspondence from the Water Users Coalition. The directors present agreed with the Coalition's proposed petition opposing legislation which would require districts to bear expenses currently borne by Harris County.

13. Finally, the Board noted recent correspondence from Waste Management concerning the annual Consumer Price Index adjustment of 1.584%. He also distributed a summary of legislation recently introduced in the Texas legislature which might affect the District. He agreed to keep the Board apprised on a regular basis of such pending legislation.

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

  
Secretary