

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
February 22, 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 February 22, 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
Rob Nixon, Director

and the following absent:

None.

Also present were Ms. Robin Goin, tax assessor-collector for the District; Mr. Jeff Pena, the District’s engineer; Ms. Sarah Redden, bookkeeper for the District; Ms. Christine High, Mr. Dewayne High, and Mr. Wesley High, District operators; Ms. Terry Dildy, a District resident; 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 then reviewed the minutes of the meeting held January 25, 2017. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Board considered the appointment of a director to fill the vacancy in that office created by the resignation of Chris Stanley. It was moved, seconded and unanimously carried that there be passed and adopted the attached order appointing Ms. Terry Dildy as a director for such unexpired term. Ms. Dildy took her oath of office and was included under the coverage of the District’s Directors Faithful Performance Schedule Blanket Bond. The Board found said bond to be in proper form. It was moved, seconded and unanimously carried that the Board approve the inclusion of Director Dildy under said bond, accept said oath, and declare

Terry Dildy to be a duly appointed and qualified director of the District. Director Dildy participated in the remainder of the meeting.

3. Ms. Redden presented the bookkeeper's report, a copy of which is attached. The Board also 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. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 92.737% collections for 2016 taxes (93.6% as of today) and 99.402% collections for 2015 taxes. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

5. Consideration was next given to 2016 taxes remaining delinquent. After a discussion, upon motion duly made, seconded and unanimously carried, the Board approved and adopted the attached Order authorizing the levying of an additional 20% statutory penalty on business personal property accounts remaining delinquent on April 1, 2017 and on real property accounts remaining delinquent on July 1, 2017. This penalty defrays the attorney fees for collection.

6. Mr. Pena presented the engineer's report, a copy of which is attached. He continued to have conversations with Harris County Flood Control District with respect to the removal of dead trees in a Flood Control easement. There was no new information to report on the proposed soccer fields on 28 acres in the District. He then discussed with the Board the possibility of reuse of effluent at the regional sewage treatment plant, and noted that his report provided highlights of the North Harris County Regional Water Authority incentive program for such reuse. Director Roensch stated he had raised discussions at the Lake Forest regional plant meeting. Mr. Pena had nothing new to report concerning requests for utility commitments, and then reviewed the status of ongoing projects in the District. Design continued on the Mills Walk lift station rehabilitation project; survey drawings are about 50% complete for the Balcrest Drive/Jones Road water line replacement project; the engineers continue to review the sanitary sewer video for Norchester, Section Three; and January, 2019 is the currently estimated date for

surface water delivery to the District's water plant. Finally, the engineer and his office continue to work with the Texas Water Development Board on the District's bond application.

7. Mr. High presented the operations report, copy attached, which showed 879 residential connections with 94% water accountability. Five bacteriological tests had been taken, all with good results. He reviewed the annual pumpage report, and on his recommendation the Board authorized writing off as uncollectible six accounts totaling approximately \$1,027. 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. Mr. High reported on the results of his investigation of the grease trap at the Napoli's restaurant in the District. He had met with the owner, and it appeared that the current grease trap is the correct size but that other factors were causing problems, which the owner had begun to address. The operator proposed that he continue to monitor the situation, and periodically test and inspect the grease trap. The Board approved his recommendation and thanked him for his investigation of the matter. The Board then considered the District's red flag/identity theft prevention program, and in accordance with the operator's recommendation unanimously agreed that the policy currently in effect was appropriate and that no changes were necessary. Accordingly, the Board unanimously passed the attached Resolution affirming the existing identity theft prevention program.

9. Director Roensch discussed the status of the Lake Forest regional sewage treatment plant, including the fact that the air header rehabilitation work had been completed. The bookkeeper for the regional plant was requesting more prompt information from the District operators, and Ms. High agreed to coordinate in that regard. Director Roensch confirmed that

the representatives to the regional plant had begun to discuss the possibility of effluent reuse as well as the pending expiration date of the regional contract. The attorney distributed copies of the existing contract and its amendments for the Board's further review and consideration.

10. President Land discussed the status of the North Harris County Regional Water Authority, and commented that water usage in the region continued to be low. Ms. Tiana Smith, who had recently entered the meeting, introduced herself and stated that she was the new representative for Waste Management. The Board thanked her for her interest and attendance, and noted that the community appeared to be very satisfied with the service provided by Waste Management.

11. Director Jackson then discussed the need to arrange an annual tour of District facilities, including the regional sewage treatment plant, for all directors, possibly on March 15, 2017. Mr. High agreed to coordinate and arrange a suitable date. Director Nixon discussed his attendance at the recent winter AWBD conference, and he agreed to provide information and material to all Board members in the near future.

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

Harvey Roenick
Secretary