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CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
March 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 March 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
Terry Dildy, Director

and the following absent:

None.

Also present were Mr. Jeff Pena, the District's engineer; Ms. Robin Goin, tax assessor-collector for the District; Ms. Sarah Redden, the District's bookkeeper; Ms. Christine High, Mr. Dewayne High, and Mr. Wesley High, 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 then reviewed the minutes of the meeting held February 22, 2017. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented. President Land noted that a tour of District facilities had not yet been arranged; Ms. High agreed to coordinate such a tour for District directors, likely in early April.

2. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 95.028% collections for 2016 taxes, and 99.4% collections for 2015 taxes. Director Jackson expressed concern over the likely loss of value in the District in 2017 as a result of recent flooding. Nevertheless, the current 2016 taxable value stands at \$187,719,680. 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. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and the checks listed thereon.

4. Mr. Pena presented the engineer's report, and a copy of his report is attached. He agreed to continue to coordinate with Harris County Flood Control District concerning dead trees in Flood Control's right-of-way and with respect to the proper disposal of waste and debris from such dead trees. He also presented information from the engineer for the Lake Forest regional plant addressing a capital improvement plan. He agreed to coordinate with the District's bookkeeper in preparation of the next fiscal year's budget relating to likely capital expenses for the regional plant.

5. The engineer had received no information concerning the Soccer Fields project in the District, and it appeared that no additional District action was required with respect to the Napoli's Restaurant grease trap.

6. The engineer then addressed the status of ongoing District projects including the Mills Walk lift station rehabilitation, water line replacements, sanitary sewer line rehabilitation, and surface water conversion. The current estimate for delivery of surface water to the District's water plant is January, 2019, and the engineer stated his office would begin design for conversion to chloramines and surface water delivery. He also discussed the status of the District's bond application to the Texas Water Development Board and stated that he, the attorney, and financial advisor would participate in a conference call with the TWDB tomorrow.

7. Mr. High presented the operations report, copy attached, which showed 880 residential connections with 92% accountability. Five bacteriological samples had been taken, all with good results. The operator confirmed that he was working on corrosion testing which had been discussed at the recent AWBD conference, and the Board requested that he develop a baseline of results at least one year prior to actual conversion to surface water in the District. No accounts were presented for writing off, and he confirmed that the operator

continued to install Badger smart meters, but currently no meters were being supplied to the operator from Accurate Meter. 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 regional sewage treatment plant, and stated the other participants apparently were not interested in re-use of effluent. It also seemed likely that the participants were in favor of a new regional contract but that until such contract was drafted and approved by all parties, the current contract likely would be extended by a simple letter amendment.

9. President Land had nothing to report with respect to the North Harris County Regional Water Authority, although all present discussed the pending rate increase effective April 1, 2017. The operator agreed to send an appropriate notice of the North Authority rate increase to District customers, and President Land stated that he would see that a similar notice appeared on the District's website.

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


Secretary