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CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
April 26, 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 April 26, 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 Ms. Christine High and Mr. Wesley High, operators for the District; Mr. Jeff Pena, the District’s engineer; Ms. Sarah Redden, bookkeeper for the District; Ms. Robin Goin, tax assessor-collector 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 reviewed the minutes of the meeting held on March 22, 2017. 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 reviewed and approved the investment report. The Board also noted the lack of detail for operations income received in March and April as well as similar information unavailable on the year-to-date budget comparison. Ms. Redden noted that page 1 of the report did indeed show two months of income recently received from the operator, but no further detail. She stated that her office would

provide the additional information requested by the Board. 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, which showed 96.173% collections for 2016 taxes, with 2016 taxable value of \$187,708,869. Ms. Goin also confirmed that as requested by the delinquent tax attorneys her office had moved there accounts totaling approximately \$38 to the uncollectible roll. 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. His office continues to coordinate with Harris County Flood Control District concerning the removal of dead trees and related debris. There was no new information to present regarding the regional sewage treatment plant, nor any new information concerning proposed soccer fields in the District. He then discussed the status of various projects currently underway, and on his recommendation the Board authorized the engineers to begin design for the water line replacement work along Balcrest Drive and Jones Road upon completion of survey drawings.

5. The engineer then discussed the status of the surface water conversion project and reviewed with the Board various layouts for the location of water lines adjacent to the District's ground storage tanks. Because of existing facilities, space for the water lines will be at a premium, and the engineer was coordinating with the operator's office in that regard, but the project may likely require easements from adjacent property owners. Mr. Pena confirmed his understanding that the project would ultimately be paid for by the North Harris County Regional Water Authority, and he agreed to keep the appropriate representatives of the North Authority advised as to the District's plans.

6. The engineer next discussed the status of the District's application to the Texas Water Development Board for approval of bonds for major rehabilitation work. He expected to file the required Project Information forms for both the water and the sewage treatment portions of the project with the TWDB within two weeks so that the District could obtain initial approval of the projects. He then agreed to provide the Board and other consultants

a proposed timetable of events for design, project approval, funding, and commencement of construction going forward. President Land stated that such a timetable would be extremely important in keeping District residents informed as to the state of the projects.

7. Ms. High presented the operations report, copy attached, which showed 866 residential connections with 93% accountability. Five bacteriological tests had been performed, all with good results. She discussed the recent repair of a significant leak involving sidewalk repairs on Mills Walk. On the operator's recommendation three accounts totaling approximately \$921 were authorized to be written off. She further advised that the operator would continue to work on scheduling a tour of District facilities for directors. 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 status of the Lake Forest regional sewage treatment plant. He noted that the Advisory Council was working on a capital improvement plan for the next several years, and provided a draft of such plan, a copy of which is attached. He also reviewed a draft letter from the attorney for the Council providing for a one-year extension of the existing Agreement. After a discussion the Board unanimously agreed that the proposed one-year extension was the correct action to take at this time.

9. President Land discussed matters relating to the North Harris County Regional Water Authority. He reported that surface water usage throughout the area of the Authority remained low. He also discussed the status of current projects of the North Authority, some of which were under construction and some of which were under design.

10. The attorney noted receipt, which had been forwarded to Board members, of the annual arbitrage analysis, and stated that no action was required of the District at this time.

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

Harry W. Rowland
Secretary