

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
June 28, 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 June 28, 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
Theresa Dildy, Director

and the following absent:

None.

Also present were Ms. Christine High, Mr. Dewayne High and Mr. Wesley High, District operators; Ms. Robin Goin, tax assessor-collector for the District; Ms. Kelly Trebbing, representing the District's bookkeeper; Mr. Jeff Pena, engineer for the District; and Mr. Wm. Scott Smith, representing the 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 May 24, 2017. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Ms. Trebbing presented the bookkeeper's report, a copy of which is attached. 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, indicating that 2016 taxes are 97.2% collected. The Board reviewed the preliminary assessed valuation for the year 2017 in the amount of \$198 million. Director Nixon requested that the tax

assessor-collector provide information regarding those properties that have been purchased by governmental entities as part of the flood buyout. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. The Board then acknowledged receipt of the ethics letter from the District's investment officer.

5. Mr. Pena presented the engineer's report, copy attached, and stated that he is continuing to work with Harris County Flood Control District regarding home demolitions related to the buyout. The Board requested that the engineer confirm that the contractor is properly capping the water and sewer lines. Mr. Pena reported that the TPDES permit is in the renewal process. The Balcrest/Jones Road waterline project is under design. The sanitary sewer rehabilitation project for Norchester, Section Three, is approximately 50% complete. The Board unanimously authorized the installation of a new riser pipe at the ground storage tank to accommodate surface water from the North Harris County Regional Water Authority. Mr. Pena also stated that the TWDB bond application is pending.

6. Mr. Dewayne High presented the operations report, copy attached, indicating that there were 14.4 million gallons of water produced and five bacteriological samples taken. There were 993 connections within the District. During the most recent plant tour, the Board noted the need to install security cameras at the District facilities. The operator is compiling proposals in this regard. The operator also stated that he is investigating the installation of a system to inject polyphosphates into the District's water supply in anticipation of the surface water conversion. 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.

7. Mr. Smith then stated that he will be working with the District's operator to prepare the critical electric load report to CenterPoint Energy which will authorize the District to receive priority service restoration in the event of a hurricane or area power outage.

8. The Board unanimously approved a one-year extension to the Lake Forest plant contract pending a total rewrite and update of the contract. President Land updated the Board with respect to the activities of the North Harris County Regional Water Authority. Director Nixon then updated the Board with respect to activities and seminars conducted at the recent AWBD conference.

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


Secretary