

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
July 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 July 26, 2017, in accordance with the duly posted notice of said meeting, with a quorum of Directors present, as follows:

Glenn Land, President
Harvey W. Roensch, Secretary
Rob Nixon, Director

and the following absent:

Robert Jackson, Vice President
Theresa Dildy, Director

Also present were Mr. Jeff Pena, engineer for the District; Ms. Robin Goin, tax assessor-collector for the District; Ms. Christine High, Mr. Dewayne High, and Mr. Wesley High, District operators; numerous residents of the District and Mr. W. James Murdaugh, Jr., attorney for the District.

1. President Land called the meeting to order. He addressed the residents and requested that they inform the Board of any concerns they might have. All those present had issues related to apparent discrepancies in their water meter readings, sporadic swings in meter readings, and perceived continued poor responsiveness from the District operators. They stated that there were numerous posts in that regard on the neighborhood blog. The Board listened to all those present who desired to speak. President Land requested their names and addresses, and assured them that the Board would investigate all their concerns and respond promptly.

2. Another resident, Mr. Kenneth Ripkowski, approached the Board to discuss issues concerning the repair of a District water leak beneath his driveway. He stated that he had not received appropriate or timely responses from the District's operator, and is President of his neighborhood's homeowners association. As the Board previously responded, President

Land agreed to investigate the matter and provide an answer to Mr. Ripkowski as soon as possible.

3. President Land then turned to the remainder of the posted agenda. The Board reviewed the minutes of the meeting held on June 28, 2017. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

4. The Board reviewed the bookkeeper's report, a copy of which is attached. Upon motion duly made, seconded and unanimously carried, the Board approved the investment report, the energy consumption report, and then approved the remainder of the report and authorized payment of the checks listed thereon.

5. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 97.648% collections for 2016 taxes, with 2016 taxable value currently certified at \$186,345,291.00. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

6. Mr. Pena presented the engineer's report, a copy of which is attached. He reviewed the work of his office attempting to obtain a list of property in the District purchased by Harris County Flood Control District. He also had provided information requested by they attorney's office for a possible special purpose annexation by the City of Houston. He provided the most current subsidence District map with appropriate subsidence data. The engineers for the Lake Forest Regional plant were in the process of renewing the regional plant's discharge permit and had begun design of electrical improvements for the plant. There was no new information to present concerning the proposed soccer field development in the District nor were there any requests for utility commitments.

7. Mr. Pena discussed the status of design work on the Mills Walk lift state rehabilitation project, the Balcrest/Jones Road water line replacements, and the sanitary sewer rehabilitation for Norchester Section Three. He discussed the status of surface water conversion for the District's water plant, with an estimated delivery date of January, 2019. He addressed projects related to the conversion which likely would not be reimbursed by North Harris County Regional Water Authority. Finally, he discussed the status of the District's application to the Texas Water Development Board for purchase of District bonds. He hoped that the bond

financing would close in the first quarter of 2018, and stated the engineers expected construction to commence as soon as possible after the funds were available. He was coordinating additional information from the attorney and financial advisor in order to complete the application to the TWDB.

8. In that regard, the attorney presented two resolutions authorizing application to the Texas Water Development Board – one for the water project and one for the sanitary sewer project, as well as a resolution with respect to the designation of the District as a management agency for the wastewater collection and treatment project. After a brief discussion all three resolutions were unanimously approved and their execution was authorized.

9. Mr. High presented the operations report, a copy of which is attached, which showed 993 active connections with 92% water accountability. Five bacteriological samples had been taken during the previous month, all with good results. 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.

10. The Board and operator discussed the request from Mr. Ripkowski concerning repair of his driveway subsequent to the repair of the leaking water line beneath the driveway. The Board reviewed a draft letter which had been prepared by the attorney, a copy of which is attached. After review and discussion, the Board approved the letter in substantially the form presented and authorized it to be sent upon confirmation of approval to the attorney by the President and by the operator's office.

11. Director Nixon discussed proposals for security cameras in the District. Mr. High agreed to coordinate with the appropriate security representative and arrange a meeting. Director Roensch had nothing additional to present as far as the Lake Forest regional

plant was concerned, after which President Land discussed status of the North Harris County Regional Water Authority, including the fact that the Authority was receiving significant assistance from the Texas Water Development Board, and expected to update its G.I.S. system. He also reviewed plans for the widening of Mills Road.

12. Ms. Christine High discussed the longstanding request of Mr. Bill Moore of the Norchester Townhouses Maintenance Association for landscape repair as a result of damage done by the District in the latter part of 2016. She confirmed that the operators had arranged for the requested work to be performed as soon as possible. The operators further stated that they would coordinate with the District attorney's office on the annual filing of the District's critical load information.

13. Finally, the attorney informed the Board that his office had contacted the City of Houston to ascertain whether the District would qualify for a Strategic Partnership Agreement/Special Purpose Annexation with the city. He agreed to keep the Board apprised of any additional pertinent information in that regard.

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


Secretary