

## CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors

January 24, 2018

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 January 24, 2018, 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  
Theresa Dildy, Director  
Rob Nixon, Director

and the following absent:

None.

Also present were Ms. Sarah Redden, the District's bookkeeper; Ms. Patty Rodriquez, representing the tax assessor-collector for the District; Ms. Christine High and Mr. Dewayne High, District operators; Mr. Jeff Pena, District engineer; Ms. Julia McCain, accountant for the District; Ms. Tiana Smith, with Waste Management, Inc., and Mr. W. James Murdaugh, Jr., attorney for the District.

President Land called the regular meeting of the Board of directors of Cypress Creek Utility District to order.

1. The Board reviewed the minutes of the meeting held on December 27, 2017. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Ms. Rodriquez presented the tax assessor-collector's report which showed 98.997% collections for 2016 taxes and 68.385% collections for 2017 taxes (77% as of as of this date). Taxable value in the District is currently certified as \$193,707,009. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

3. The Board next considered whether to grant any homestead or related exemptions for 2018 taxes, and after a discussion unanimously approved the attached Order adopting a residence homestead exemption for persons 65 or older or disabled in the amount of \$35,000.

4. Ms. Redden presented the bookkeeper's report. The Board also reviewed the energy consumption report and approved the investment report. Subject to that discussion, upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and authorized payment of the checks listed thereon.

5. Ms. McCain reviewed with the Board the annual audit for the fiscal year ended September 30, 2017. She noted that the District was in good financial condition, and her firm was providing a clean opinion. After a brief discussion the Board unanimously approved the audit and authorized its filing with all appropriate entities. The Board also reviewed and unanimously approved the attached Resolution affirming its review of the District's investment policy. The attorney confirmed that his firm was ensuring compliance with Senate Bill 253.

6. Mr. Pena presented the engineer's report and reviewed the status of home demolitions in the District resulting from the recent flooding. He also discussed the status of the Lake Forest regional sewage treatment plant and provided a copy of its recent engineering report. Design on electrical improvements at the regional plant is 95% complete, and the Texas Commission on Environmental Quality has issued a draft permit for the waste discharge permit for the regional plant. He then announced that the Texas Water Development Board had approved the District's two loan applications and that he would be coordinating the schedule of events related to the bond closing with the financial advisor and attorney for the District. He briefly discussed the current status of projects in the District and stated that no changes had occurred to the 10-year capital improvement plan which had been discussed at the December meeting.

7. Mr. High presented the operations report and noted the lowest water production of any month on record. During the previous month service had been provided to 998 connections with 93% water accountability. Five bacteriological samples had been, all with good results. The Board expressed its concern with low water accountability, and the operator

agreed to continue to investigate the matter. 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. The operator and Board continued to discuss the recent well reports from GM Services, and Mr. High had confronted no problems at District facilities during the recent period of freezing weather. On the operator's recommendation the Board authorized pulling the pump at well No. 3 at an estimated cost of \$8,400.00 as well as work on booster pump No. 4 at an estimated cost of \$5,000.00. The attorney agreed to provide an appropriate resolution for use of surplus construction funds at the February meeting.

9. Director Roensch discussed the status of the Lake Forest regional plant, after which President Land reviewed recent actions by the North Harris County Regional Water Authority. The attorney confirmed that his office is completing its review of insurance required to be carried by District consultants.

10. It appeared that an election of directors should be called for and within the District on Saturday, May 5, 2018. The attached Order calling such election was presented and reviewed by the Board of Directors. Upon motion duly made, seconded and unanimously carried, the Board approved and adopted the Order which is attached to these minutes. The attorneys were instructed to handle the mechanics of the election.

11. Ms. Smith approached the Board to discuss a proposal from Waste Management, Inc. for a rate adjustment. After considerable discussion the Board approved the adjustment as proposed which, according to previous correspondence from Ms. Smith, would not be effective until March 1, 2018.

12. Finally, the Board continued its previous discussions concerning the possible engagement of security officers' services. The Board agreed to continue to take the matter under advisement for further consideration. The Board also stated that it would be appropriate for the Order Calling the Director Election as well as the Notice of Deadline to File Applications to be posted on the District's website.

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

*Hany Roersch*  
Secretary