

## CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
March 29, 2018

The Board of Directors ("Board") of Cypress Creek Utility District ("District") met at a designated meeting place outside the District at 2727 Allen Parkway, Suite 1100, Houston, Texas on March 29, 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  
Theresa Dildy, Director  
Rob Nixon, Director

and the following absent:

Harvey W. Roensch, Secretary.

Also present were Ms. Robin Goin, tax assessor-collector for District; Mr. Dewayne High, District operator; Ms. Claudia Redden, the District's bookkeeper; Mr. Jeff Pena, District engineer; 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 February 28, 2018. In the absence of Director Roensch, Secretary of the Board and of the District, Director Dildy was designated Secretary Pro Tempore and was authorized to sign the minutes of this meeting. 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 also reviewed and approved the investment report and the energy consumption report. Upon motion duly made, seconded and unanimously carried, the Board approved the bookkeeper's report and authorized payment of the checks listed thereon. The Board discussed the required review of the District's investments in compliance with Senate Bill 253. The Board requested that the District's bookkeeper and investment officer review the list

promulgated by the State Comptroller and monitor it periodically to prevent violations of Senate Bill 253. The Board also considered some proposed amendments to the District's operating budget, and after a brief discussion unanimously approved the amendments in accordance with the resolution which is attached.

3. The attorney confirmed that his office was performing the annual continuing disclosure filing, after which Ms. Goin presented the tax assessor-collector's report, copy attached. The report showed 93.728% collections for 2017 taxes (95.3% as of this date), and certified taxable value in the District of \$193,709,566. 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, and discussed the status of home demolitions in the District and the fact the he did not expect further significant communication from Harris County Flood Control District. There was no new major information to present concerning the Lake Forest regional sewage treatment plant. He reviewed the status of ongoing projects in the District. Design was approximately 65% complete on the Mills Walk lift station rehabilitation project; design was approximately 75% complete for the Balcrest Drive/Jones Road water line replacements; design was approximately 90% complete for the Norchester Section 3 sanitary sewer rehabilitation project; and design was approximately 60% complete for the surface water conversion project at water plant No. 1, where February, 2020 was the anticipated date for completion of construction and delivery of surface water to the District. With respect to water plant facilities the engineer recommended semi annual pump tests to monitor well performance in spring and fall of each year; and he then reviewed with the Board the memorandum concerning well No. 3 and the remote water plant facility. After considerable discussion the Board unanimously agreed not to go forward with rehabilitation of the well, making the determination that there was minimal probability that it would be needed in the future. The operator was directed to temporarily cap the well.

5. The Board discussed the status of the District's pending bond sale to the Texas Water Development Board, and agreed that the bond sale would occur at a meeting scheduled for noon, Friday April 13, 2018 in the attorney's office, an official meeting place of the District.

6. Mr. High presented the operations report, copy attached, which showed 998 active connections but only 87% water accountability. The Board expressed concern over continuing low accountability, and the directors mentioned various leaks reported to the operator. Mr. High agreed to continue to investigate the situation. Five bacteriological tests had been performed, 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.

7. The operator continued to address various matters of customer service during the previous month, and confirmed Norchester Homeowners Association had now completed payment in full of previous bills related to irrigation meters. The Board expressed its concern over the accounts not paid for approximately 18 months and general uncertainty with respect to invoices to the Norchester Homeowners Association. Mr. High agreed to continue to investigate the matter and to coordinate with Mrs. High in that regard. He addressed recent repairs to booster pump No. 4 and specifically addressed the situation at well No. 3, an item contained in his written report. He recommended the repair of well No. 3, but the Board agreed to abide by its previous decision not to go forward. However, the Board requested that the operator investigate the cost of pipes and labor for possible reinstallation at well No. 3 if the matter became a necessity in the future. There was no report with respect to the Lake Forest regional plant, and President Land addressed various matters concerning the North Harris County Regional Water Authority.

8. The Board next discussed designating Norchester Clubhouse as an official meeting place inside the District's boundaries, and after a brief discussion unanimously took such action in accordance with an order which is attached.

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

  
Secretary

## CYPRESS CREEK UTILITY DISTRICT

### NOTICE OF RESCHEDULED PUBLIC MEETING

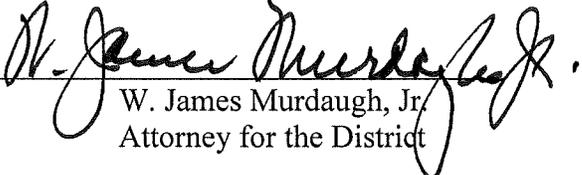
Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **2727 Allen Parkway, Suite 1100, Texas 77019**. (*Meeting originally scheduled for March 28, 2018 cancelled due to regular meeting place unavailability*).

The meeting will be held at **12:00 p.m. on Thursday, March 29, 2018**.

The subject of the meeting is to consider and act on the following:

1. Consider comments and questions from District residents
2. Approve minutes of meeting held on February 28, 2018
3. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds; status of surplus construction funds
4. Resolution Amending Operating Budget for the Fiscal Year Ending September 30, 2018, as necessary
5. Authorize continuing disclosure filing (due March 31, 2018)
6. Tax assessor-collector's report; status of tax collections; review invoices and authorize payment; status of delinquent taxes; authorize litigation as necessary; consider any taxpayer appeals; approve installment payment agreements, as necessary; authorize writing off accounts as appropriate
7. Engineer's report; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders; authorize repairs/rehabilitation of well No. 1 as appropriate
8. Status of Bond Application to Texas Water Development Board; discuss special meeting for sale of bonds
9. Operator's report; review active connections and water accountability; status of operation, maintenance and repair of District facilities; consider customer appeals; approve termination of service on delinquent accounts; status of installation of smart meters
10. Status of unpaid Norchester bills
11. Lake Forest Regional Plant Report
12. North Harris County Regional Water Authority report
13. Designate official meeting place
14. Pending business



  
W. James Murdaugh, Jr.  
Attorney for the District