

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
April 25, 2018

The Board of Directors (“Board”) of Cypress Creek Utility District (“District”) met at a designated meeting place inside the District at 13439 Jones Road, Houston, Texas 77070 on April 25, 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. Robin Goin, tax assessor-collector for District; Mr. Jeff Pena, District engineer; Ms. Sarah Redden, representing the bookkeeper for the District; Ms. Christine High and Mr. Dewayne High, District operators; 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 March 29 and April 13, 2018. 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 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. 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.

3. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 95.578% collections for 2017 taxes and current certified taxable value in the District of \$193,666,558. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. Ms. Goin discussed a proposed Assignment and Assumption agreement for the existing contract with Bob Leared Interests. After a brief discussion, it was unanimously approved and its execution was authorized.

5. Mr. Pena presented the engineer's report, a copy of which is attached. He reviewed the status of the Lake Forest regional wastewater treatment plant and confirmed that design was substantially complete for electrical improvements. The new discharge permit had been approved on March 29, 2018. He addressed a recent inquiry concerning utility service to Old Matzke Elementary School. The engineer and operator had provided the requested information and were awaiting further information and reviewing preliminary drawings. He then discussed the status of the District's bond issues for purchase by the Texas Water Development Board and stated that closing was still scheduled for May 16, 2018. He reviewed the status of various projects underway. Design is 90% complete for the Mills Walk lift station rehabilitation; design is 80% complete for the Balcrest/Jones Road water line replacements; design is 90% complete for Norchester Section 3 sanitary sewer rehabilitation; and design is 60% complete for surface water conversion at water plant No. 1. He then recommended that pump performance tests be performed on District wells twice a year, and the Board unanimously approved the recommendation.

6. The Board next reviewed the drawing attached to the engineer's report concerning the timing of sanitary sewer improvements and also discussed the status of purchase by Harris County Flood Control District of various flooded lots in the District. After a lengthy discussion the Board approved the sanitary sewer rehabilitation work in phases as outlined on the engineer's report.

7. Mr. High presented the operations report, copy attached, which showed 843 active connections with 93% water accountability. 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.

8. Mr. High continued to address various customer service matters during the previous month, and reviewed the status of the longstanding delinquent bills for irrigation water for the Norchester Homeowners Association. After a brief discussion the Board unanimously approved the operator's recommendation that a credit be applied to 15 HOA accounts for a total of \$272.73 and a refund check be issued in the amount of \$588.90. The Board and operator discussed the status of a water leak on Jones Road which was not related to a District facility and then reviewed repairs to booster pump No. 4. The Board noted the estimate the operator had obtained for minimal work at well No. 3 from Alsay, Inc., and agreed to take no action at this time. The Board requested that the engineer provide a boundary description of the site for well No. 3 and then inquired as to the request for temporary service from Harris County MUD No. 230. Mr. High stated that no service was provided by the District to the interconnect and that the operator for No. 230 had agreed to look elsewhere for temporary service.

9. Director Roensch reported on the status of the Lake Forest Regional wastewater plant, and President Land discussed the various items relating to the North Harris County Regional Water Authority.

10. With respect to other pending business the operator confirmed that smart meters had been installed in approximately one-half of the District's residences, and the attorney stated that it appeared that the Mills Walk Clubhouse would be available for District meetings in approximately two weeks.

11. Finally, the Board discussed the status of various consultant contracts and the possibility of an annual review or reviews at some other acceptable time period. The attorney agreed to put the matter on the agenda for further discussion at the May meeting.

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

Howey Roensch
Secretary