

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
July 25, 2018

The Board of Directors ("Board") of Cypress Creek Utility District ("District") met at a designated meeting place inside the District at Mills Walk Clubhouse, 10643 Mills Walk Drive, Houston, Texas on July 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; Ms. Christine High, and Mr. Dewayne High, District operators; Ms. Sarah Redden, representing the bookkeeper for the District; 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 June 27, 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 also noted 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. 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 97.29% collections for 2017 taxes and current certified taxable value in the District of \$193,696,002. The Board also discussed recent information from FEMA and Harris County concerning significant buyouts in the District due to recent flooding and the likelihood that taxable values would be significantly reduced in the future. Upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

4. The attorney distributed the delinquent tax report, copy attached, and after a brief discussion the Board authorized termination of service and/or installment payment agreements on delinquent accounts greater than \$10.00, subject to the attorney's discretion.

5. Mr. Pena presented the engineer's report. He confirmed that an engineering feasibility report for water line work had been provided to the Texas Water Development Board. He also discussed recent engineering activity at the Lake Forest regional sewage treatment plant and engineering work concerning a new fire and water line for the Old Matzke Elementary School. He reviewed the Mills Walk lift station rehabilitation project, and on the engineer's recommendation the Board authorized award of the contract to the low bidder, Arriba Construction. He also discussed the status of the water line replacement project on Balcrest Drive/Jones Road (design approximately 80% complete); the sanitary sewer rehabilitation project in Norchester, Section 3 (design approximately 90% complete); and the surface water conversion project at water plant No. 1 (projected for completion February 2020, with design approximately 80% complete). The Board and engineer then discussed the schedule for work in Norchester in light of likely purchases by FEMA and/or Harris County, and agreed that the project should begin on the south side of Norchester and also include the 12-inch trunk line. The engineer and Board agreed that work should first proceed on the lines in the worst state and then move on to Norchester, Sections 1 and 2. The Board again discussed the status of the remote well facility at water plant No. 1, and agreed that the abandoned motor should remain on site, but the Board reaffirmed unanimously that it would not proceed with any repair or rehabilitation work at the remote well facility.

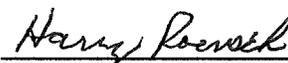
6. Mr. High presented the operations report, copy attached, which showed 845 residential accounts but only 90% water accountability. He discussed various leaks and repairs, and confirmed that five bacteriological tests had been performed, all with good results. The operator then submitted a list of delinquent 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 next discussed problems with well No. 2 and the flow meter which likely affected accountability. After a brief discussion the Board authorized the repair at an estimated cost of \$4,950.00, and also requested that the operator and attorney coordinate on the appropriate tap fee for Old Matzke Elementary School.

8. The Board considered the status of various consultant contracts and agreed to schedule a special meeting in the near future to discuss how to proceed. There was no new information from Director Roensch with respect the Lake Forest regional sewage treatment plant, and President Land discussed the status of North Harris County Regional Water Authority projects.

9. Director Jackson noted an Association of Water Board Directors workshop scheduled for August 10, 2018, and the Board then discussed the proposed new contract for the Lake Forest Regional sewage treatment plant. The attorney agreed to coordinate on the matter with Director Roensch.

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


Secretary