

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
August 22, 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 August 22, 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, representing the bookkeeper for the District; Mr. Jeff Pena, District engineer; Ms. Christine High, and Mr. Dewayne High, District operators; Ms. Robin Goin, tax assessor-collector for District; 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 July 25, 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 the investment report. The Board requested that the bookkeeper provide additional information concerning electric bills as well as the escrow fee charged by Amegy Bank. The Board reviewed a draft budget for the fiscal year so that it would be in position to adopt a budget at the September meeting. The attorney agreed to prepare a resolution for the use of surplus construction funds to reimburse the General Fund for work performed related to the current

water and sewer system rehabilitation project. 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 97.682% collections for 2017 taxes with current certified value of \$193,694,187. She also addressed recent correspondence from Harris County Appraisal District concerning 2018 certified taxable value of \$150,915,745, with an additional \$19,852,589 of owners' value. She and the Board agreed the District would be in a position to discuss the 2018 tax rate with the financial advisor at the September meeting. Subject to that discussion, 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. He reviewed the status of work at the Lake Forest regional sewage treatment plant as well as a new meter for a fire and water line to be provided to Old Matzke Elementary School. The engineer and operator were coordinating on a proposed water meter easement for the project. Mr. Pena reviewed the status of various projects, and the Board authorized execution of the construction contract for the Mills Walk lift station rehabilitation project with the understanding that a preconstruction meeting will be scheduled in the very near future. (This is a project from the Series 2015 Bond issue.).

5. The Board and Mr. Pena reviewed the chart for the timing of projects and agreed that the trunk line for sanitary sewer rehabilitation work in Norchester Section 3 would be the first project, followed by work within Norchester Section 2 and Section 1, with the remainder of Norchester Section 3 to be addressed only after additional information was available concerning the buyout of flood prone lots. He proceeded to discuss the status of the sanitary sewer rehabilitation project as well as the water line replacement project (design approximately 80% complete), and further stated that design was approximately 80% complete for improvements related to surface water conversion at water plant No. 1. He noted that Harris County MUD No. 230 is currently scheduled to receive surface water some time in February,

2020, and Northwest Harris County MUD No. 9 is scheduled to receive surface water in mid 2019.

6. Mr. High presented the operations report, copy attached. He and the Board discussed various recent leak repairs and noted 847 residential accounts with 99% 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.

7. Director Roensch discussed the status of the Lake Forest regional plant, and stated that bids were being advertised for work to be performed during the coming year. He and the attorney discussed proposed changes to the current draft of the Lake Forest regional agreement, which Director Roensch will discuss at the next meeting of the Lake Forest Advisory Board.

8. President Land discussed matters relating to the North Harris County Regional Water Authority after which the attorney and Board of Directors reviewed the District's Code of Ethics and concluded that no changes were in order. The attorney also stated his office and the operators were reviewing the District's rate order for any recommended changes to be discussed at the regular September meeting. The attorney also confirmed that his office was completing its annual review of contracts for out-of-district utility service.

9. The Board discussed the need for a special meeting to review the status of consultant contracts, and asked that the meeting be scheduled for Thursday, August 30 at 6:00 p.m. at the regular meeting place. The attorney was requested to provide all Board members with copies of consultant contracts as well as a copy of the Code of Ethics prior to the special meeting.

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

Harvey Roensel
Secretary

CYPRESS CREEK UTILITY DISTRICT
NOTICE OF PUBLIC MEETING

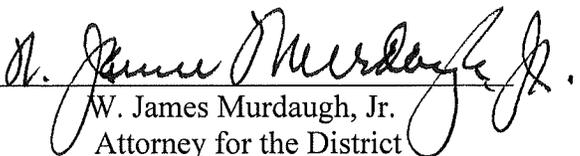
Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **10643 Mills Walk Drive, Houston, TX 77070**.

The meeting will be held at **6:00 p.m. on Wednesday, August 22, 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 July 25, 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. Review draft budget for F.Y.E. 09/30/2019
5. 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
6. Engineer's report; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders
7. Review and discuss priority of construction projects
8. 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
9. Lake Forest Regional Plant Report; review and approve new agreement for Lake Forest regional plant
10. North Harris County Regional Water Authority report
11. Annual Review of Rate Order
12. Annual Review of Code of Ethics
13. Review contracts for out-of-district service as appropriate; Adjust/confirm fees to Cy-Fair ISD
14. Pending business, including:
 - a. Discuss status of FEMA buy-outs;
 - b. Discussion for review of consultant contracts




W. James Murdaugh, Jr.
Attorney for the District