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CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
October 24, 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 October 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. Christine High, and Mr. Dewayne High, District operators; Mr. Jeff Pena, District engineer; Ms. Robin Goin, tax assessor-collector for District; Ms. Tiana Smith, with Waste Management; Ms. Kelly Trebing, representing the District bookkeeper; 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 September 26, 2018. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Ms. Trebing presented the bookkeeper's report, a copy of which is attached. The Board reviewed and approved the investment report and requested the bookkeeper to investigate the use of surplus construction funds which had been approved at the September meeting. 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 98.090% collections for 2017 taxes, with 2018 certified taxable value currently of \$150,915,745. The Board requested that when it was available the tax assessor-collector provide a map and 2018 tax rate comparisons of districts in the vicinity of the District. 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. The tax assessor-collector confirmed that her office had published notice of the District's intent to hold a public hearing and set the 2018 tax rate at this meeting. Accordingly, the Board called a public hearing on the District's proposed 2018 tax rate. It appeared that the Harris County Appraisal District had heretofore prepared and certified to the District's tax assessor-collector the final 2018 appraisal roll of the District. The Board considered the amount of taxes to be raised based on said valuation in order to meet debt service requirements on the District's outstanding bonds and for maintenance purposes. It was moved, seconded and unanimously carried that there be passed and adopted the attached Order accepting the final appraisal roll and setting a tax rate of \$0.22 for each \$100 of assessed valuation shown on such appraisal roll for the purpose of debt service, and a rate of \$0.1275 per \$100 valuation for maintenance and operations. The Board executed the amendment to the District's Statement of Directors to reflect the tax rate, and the attorneys were directed to file executed copies with the Harris County Clerk and the Texas Commission on Environmental Quality as required by the Texas Water Code, and to furnish the tax assessor for the District a certified copy of the Order levying the tax.

5. Mr. Pena presented the engineer's report, a copy of which is attached. He discussed the status of projects at the Lake Forest regional sewage treatment plant as well as current status of providing water to the Old Matzke Elementary School. The Board reiterated that no tap was to be made or Matzke connection approved until revision of the existing contract with Cy-Fair ISD. The engineer discussed the status of the Mills Walk lift station rehabilitation project and reviewed certain difficulties with the contractor. On his recommendation the Board approved payment of Pay Estimate No. 2 to the contractor, Arriba, in the amount of \$11,934.00.

He reviewed the status of the sanitary sewer rehabilitation projects and water line replacement projects funded by the recent bond issues purchased by the Texas Water Development Board, both of which were approximately 80% complete as far as design was concerned. He next discussed the status of surface water conversion at water plant No. 1, and stated that February, 2020, remained the anticipated date for completion of the improvements.

6. Mr. High presented the operations report, copy attached, which showed 987 connections with 96% water accountability. Five bacteriological tests had been performed, all with good results. The operator discussed repair work at booster pump No. 1 and reviewed an accounting spreadsheet related to Norchester Maintenance Association irrigation accounts. 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 sewage treatment plant, after which President Land reviewed developments concerning the North Harris County Regional Water Authority. The Board agreed to have information related to the conversion to surface water on the District's website well in advance of the actual conversion date.

8. There was no new information to present as far as FEMA buyouts were concerned, and the Board continued to take under advisement issues related to consultant contracts. Ms. Smith made a presentation concerning the proposed status of a new contract with Waste Management and agreed to provide additional information and pricing to the attorney to be forwarded to all Board members. She expected certain information to be made available very soon, with pricing to follow at a later date.

9. With respect to pending business, after a discussion the Board unanimously agreed to change the regular meeting date to the second Thursday of the month

beginning with the November meeting. The Board also requested that an item be placed on that meeting's agenda for changing the District's fiscal year to the calendar year.

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

Harry Roened
Secretary
