

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
November 8, 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 November 8, 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. Christine High, and Mr. Dewayne High, District operators; Ms. Claudia Redden, bookkeeper for the 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 October 24, 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 reviewed and approved the investment report and noted the energy consumption report as well as the transfer to the General Fund from certain surplus construction funds as discussed at the October meeting. 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 98.169% collections for 2017 taxes, and just over 1% collected thus far for 2018. Current certified taxable value stood at \$168,648,140. The Board requested the attorney to investigate the status of the delinquent count of Plains Capital Bank. The Board also considered a proposed contract with the tax assessor-collector to monitor the District's Strategic Partnership Agreement accounts, but after further discussion it appeared that no money had yet been received from the contract with the City of Houston, and therefore the Board agreed to await action until a record of one year's collections was established. 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 Board discussed a new Depository Pledge Agreement recommended by the tax assessor-collector, and after a brief discussion the Agreement was unanimously approved and its execution was authorized.

5. Mr. Pena presented the engineer's report, a copy of which is attached. The engineers were awaiting receipt of a meter easement with respect to Old Matzke Elementary School, and no tap was to be made until a new contract with the school District was negotiated and approved. Construction projects during the prior month were slow because of wet weather, particularly with respect to the lift station rehabilitation project. There was no significant change on the status of the sanitary sewer rehabilitation project nor the water line replacement project. The Board discussed with Mr. Pena work performed on behalf of Harris County for a preliminary drainage study in the Norchester Subdivision; the Board requested that the engineer obtain a copy of the results as soon as they were available.

6. Mr. High presented the operations report, copy attached, which showed 980 active connections with only 90% water accountability. Five bacteriological tests had been performed, all with good results. Water usage for the month of October was the lowest on District record. Mr. High then discussed repairs on booster pump No. 1 and progress as far as smart meter installation was concerned. 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 Board and operator discussed a request from a District customer concerning garbage collection. After lengthy consideration it was agreed that Director Dildy would discuss the matter with the customer, and the Board authorized credit for one day's garbage service.

8. Director Roensch presented the report concerning the Lake Forest regional sewage treatment plant. It appeared that the new agreement for operation of the plant had been successfully negotiated; accordingly, the Board had previously approved the contract in substantially the current form and now authorized its execution. The Board also reviewed the Resolution approving the annual budget of the Lake Forest regional plant, and the resolution was unanimously approved, a copy of which is attached. The attorney was requested to send copies of the Resolution and budget to Board members as soon as possible.

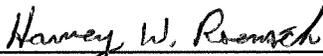
9. President Land presented the North Harris County Regional Water Authority report, after which the Board considered a proposal for renewal of District insurance, which was unanimously approved for a total premium of \$8,497.00. The attorney confirmed that his office had completed its annual review of consultant insurance requirements and that the insurance required by District contracts with consultants was in place in correct amounts, and copies of the appropriate certificates were in District files.

10. There was no new information to present as far as possible FEMA buyout of property in the District was concerned, and the Board had no new action to discuss concerning its review of consultant contracts. The attorney distributed information which had been provided by Waste Management concerning a new contract for services, and the Board expressed the possibility that District residents would prefer to continue backyard service, which apparently could no longer be provided by Waste Management. After further discussion

Director Nixon agreed to obtain information from other possible garbage providers. The attorney stated he expected to hear a positive response from the proposed changes to the District's Emergency Interconnect Agreement with Northwest Harris County MUD No. 9 in the very new future.

11. Finally, the Board reiterated its desire to change the fiscal year to the calendar year, and in that regard unanimously approved the authorized execution of the attached Resolution making such change and extending the current fiscal year through December 31, 2018.

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


Secretary