

## CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
December 13, 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 December 13, 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 Mr. Jeff Pena, District engineer; Ms. Robin Goin, tax assessor-collector for District; Ms. Claudia Redden, bookkeeper for the District; Ms. Tiana Smith with Waste Management; Ms. Christine High, and Mr. Dewayne High, District operators; and Mr. Paul Radich and Mr. W. James Murdaugh, Jr., attorneys 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 November 8, 2018. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 98.483% collections for 2017 taxes, and 10.8% collections for 2018 as of the date of this meeting. Current certified taxable value in the District stood at \$173,805,568. At the Board's request the attorney agreed to obtain additional information concerning the delinquent account of Plains Capital Bank. 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.

3. Mr. Pena presented the engineer's report, a copy of which is attached. He reviewed the status of various District projects as set forth in the report, including the status of projects financed by bonds sold to the Texas Water Development Board and the work performed by Costello Engineering relating to a Harris County preliminary drainage study of land in the vicinity of the District.

4. The engineer and Mr. Radich then addressed recent problems relating to the Arriba contract for lift station rehabilitation and the inability of the original contractor to satisfactorily complete the job. The Board, engineer, and attorneys discussed actions taken by the contractor since the last Board meeting and the results of a recent mediation with the original contractor, Arriba Construction. President Land confirmed that he had been kept informed by the attorneys at each step of the situation. The engineer and attorneys advised the Board that continuing with Arriba would be impossible and that the voluntary termination achieved through mediation would save the District considerable time and money. After further discussion the Board approved the proposed mediation agreement, with Director Jackson abstaining, and on the further recommendation of the engineer the Board declared an emergency situation to exist in accordance with the rules of the Texas Commission on Environmental Quality and authorized the contract for completion of the project to be awarded to T&C Construction, Ltd as a result of the request for three bids. The Board also authorized payment of Pay Estimate No. 1 on the project submitted and recommended by the District engineer.

5. Mr. High presented the operations report, copy attached, which showed 966 total connections with 93% water accountability. Five bacteriological tests had been performed, all with good results. Booster pump No. 1 had been repaired and was now on line. 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.

6. Numerous residents of the District were present and had questions concerning various matters related to operations, specifically including billing issues, irrigation meter readings, and the timing of past due notices for such irrigation meters. The Board and operators agreed to look into the matter and to respond appropriately.

7. Ms. Redden presented the bookkeeper's report, a copy of which is attached. The Board 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.

8. Ms. Tiana Smith approached the Board to discuss the proposal for garbage collection from Waste Management. She addressed three options, which the Board agreed to take under advisement. It also appeared that the residents and homeowners association of Norchester were agreeable to curbside pickup in the future.

9. Director Roensch presented the Lake Forest regional sewage treatment plant report, and the attorney agreed to provide a copy of the final regional sewage treatment plant contract as soon as it was available.

10. President Land discussed the status of the North Harris County Regional Water Authority, and the operator was requested to provide information concerning the recent North Authority fee increase for the District's website. The attorney also agreed to provide information concerning the interest rates paid by the District on the most recent Texas Water Development Board bond issues.

11. With respect to various other matters it appeared that two more FEMA buyouts had occurred in the District. The Board agreed to continue its work on consultant contract reviews. Director Nixon had additional information on garbage collection which he would provide to the Board members. The attorney confirmed that his office would complete the

annual eminent domain report to the State of Texas as required by law. He also confirmed receipt from the District's financial advisor of information required by the Municipal Securities Rule Making Board.

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

  
Secretary