

## CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors  
January 10, 2019

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 January 10, 2019, 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. Dennis Sander, District engineer; Ms. Robin Goin, tax assessor-collector for District; Ms. Claudia Redden, bookkeeper for the District; Ms. Christine High and Mr. Dewayne High, District operators; residents from the Norchester subdivision in 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 December 13, 2018. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. The Norchester residents expressed their desire to confirm that the irrigation bills owed by the Norchester HOA had been paid, which was indeed confirmed by Ms. High. The representatives also stated they would check meter readings for their meters on the 16<sup>th</sup> of each month, and discussed a recent repair of an irrigation meter. They emphasized that the Norchester clubhouse was available for District meetings if that should ever be appropriate.

3. Ms. Redden presented the bookkeeper’s report, a copy of which is attached. She noted the receipt of sales tax income as a result of the District’s Strategic Partnership Agreement with the City of Houston. The Board noted the energy consumption

report and approved the investment report. As a result of the conversation in December the attorney confirmed the interest rates to the District of the recent bond issues sold to the Texas Water Development Board: 2.189550% for the Series 2018-A Bonds and 2.514843% for the Series 2018-B Bonds. 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.

4. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 61.274% collections for 2018 taxes and 98.586 % collections for 2017 taxes. Current certified taxable value in the District stood at \$173,655,443. The attorney and tax collector agreed to continue to work on 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.

5. The Board next considered whether to grant any homestead or related exemptions for 2019 taxes, and after a discussion unanimously approved the attached Order Adopting Residence Homestead Exemption for Persons Sixty-Five or Older or Disabled in the amount of \$35,000.

6. Mr. Sander approached the Board and presented the engineer's report, a copy of which is attached. He emphasized that the Mills Walk lift station rehabilitation project was almost 50% complete and that the new contractors were doing excellent work. He briefly reviewed the status of the Texas Water Development Board projects and had no other significant items to report.

7. Mr. High presented the operations report, copy attached, which showed 991 total connections with 92% water accountability, and continued record low water usage. Five bacteriological tests had been performed, all with good results. He reviewed repair work at booster pump No. 2, and after discussion with the Norchester residents the operators agreed to ensure that the District's website included instructions for logging onto the District smart meters. On the operator's recommendation the Board authorized pulling booster pump No. 2 to

investigate what repairs were required. 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.

8. Director Roensch presented the report for the Lake Forest regional sewage treatment plant and distributed a copy of the final Lake Forest plant annual budget. He also confirmed that the new Lake Forest regional contract had been approved by all parties and was now in final form. The attorney confirmed he had distributed copies to the Board by email.

9. President Land presented a report concerning recent actions of the North Harris County Regional Water Authority, after which Director Jackson and the Board discussed recent buyout offers and appraisals as a result of recent flooding. The Board then entered a discussion concerning the District's contract for solid waste removal. The Board agreed to schedule a special meeting to review various proposals, and the attorney agreed to confirm that Waste Management would continue to serve the District on a month-to-month basis if necessary for a limited time.

10. During the discussion Ms. Cathy Dunn, President of Norchester Maintenance Fund, confirmed that Norchester did not wish to assume responsibility for trash pickup, and preferred that the District provide the service. Finally, the attorney distributed a calendar of events for District meetings and actions in 2019.

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

  
Secretary

## CYPRESS CREEK UTILITY DISTRICT

### NOTICE OF PUBLIC MEETING

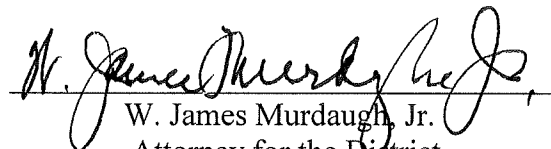
Notice is hereby given to all interested parties that the Board of Directors of the captioned District will hold a public meeting at **10643 Mills Walk Drive, Houston, TX 77070**.

The meeting will be held at **6:00 p.m. on Thursday, January 10, 2019**.

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 December 13, 2018
3. Bookkeeper's report; review invoices and authorize payment of bills; review investment report and approve investment of District funds
4. 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
5. Order Adopting Residence Homestead Exemption; Order Adopting Residence Homestead Exemption for Persons 65 or Older or Disabled
6. Engineer's report; authorize preparation of plans as appropriate; authorize advertising for bids; award contracts; approve change orders; status of lift station rehabilitation
7. 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
8. Lake Forest Regional Plant Report; status of agreement for Lake Forest regional plant
9. North Harris County Regional Water Authority report; status of request for water line easement
10. Pending business, including:
  - a. Discuss status of FEMA buy-outs;
  - b. Status of review of consultant contracts
  - c. Status of contract with Waste Management
  - d. Annual review of garbage contract (Renews February 28); Annual CPI Adjustment
11. Executive Session as necessary authorized under Texas Government Code Ann., §551.071



  
W. James Murdaugh, Jr.  
Attorney for the District

**Cypress Creek Utility District**  
**Energy Consumption - Electricity**

	<i>Month</i>	<i>KWH/CCF</i>	<i>Amount Paid</i>	<i>Cost / kWh</i>		
2016	January	40,159	\$5,719.36	\$0.142		
	February	36,239	\$5,372.29	\$0.148		
	March	37,355	\$5,530.92	\$0.148		
	April	39,459	\$5,675.92	\$0.144		
	May	36,499	\$5,426.87	\$0.149		
	June	37,947	\$5,772.43	\$0.152		
	July	65,856	\$7,638.29	\$0.116		
	August	53,528	\$6,799.52	\$0.127		
	September	58,103	\$7,133.62	\$0.123		
	October	57,061	\$7,026.88	\$0.123		
	November	46,850	\$6,176.25	\$0.132		
	December	36,934	\$5,184.58	\$0.140		
2017	January	27,287	\$3,459.68	\$0.127		
	February	29,189	\$3,563.80	\$0.122		
	March	34,234	\$5,227.16	\$0.153		
	April	38,356	\$5,580.56	\$0.145		
	May	55,528	\$6,801.67	\$0.122		
	June	45,686	\$6,169.00	\$0.135		
	July	54,086	\$6,739.04	\$0.125		
	August	58,319	\$6,966.86	\$0.119	<i>Prior Year</i>	<i>Net</i>
	September	45,537	\$5,548.70	\$0.122	\$6,799.52	\$ (167.34)
	October	42,122	\$5,466.01	\$0.130	\$7,133.62	\$ 1,584.92
	November	42,763	\$5,545.87	\$0.130	\$7,026.88	\$ 1,560.87
	December	30,030	\$ 4,740.75	\$0.158		
2018	January	28,153	\$4,505.32	\$0.160		
	February	22,644	\$3,059.31	\$0.135		
	March	30,261	\$4,214.41	\$0.139		
	April	34,492	\$4,468.10	\$0.130		
	May	45,984	\$5,265.00	\$0.114		
	June	43,396	\$5,098.32	\$0.117	\$6,169.00	\$1,070.68
	July	50,531	\$5,382.42	\$0.107	\$6,739.04	\$ 1,356.62
	August	48,432	\$5,190.10	\$0.107	\$6,966.86	\$ 1,776.76
	September	38,652	\$4,560.76	\$0.118	\$5,548.70	\$ 987.94
	October	28,080	\$3,833.44	\$0.137		
	November					
	December					
<b>TOTAL</b>		<b>1,419,752</b>	<b>\$184,843.21</b>			
Average Cost / kWh				\$0.130		

The board asked that we show the cost savings.

When we compare the KWH rate for September 2017 to September 2016, there is only a 0.001 change. one half of one penny.