

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
April 11, 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 April 11, 2019, in accordance with the duly posted notice of said meeting, with a quorum of Directors present, as follows:

Glenn Land, President
Harvey W. Roensch, Secretary
Theresa Dildy, Director
Rob Nixon, Director

and the following absent:

Robert Jackson, Vice President.

Also present were Ms. Christine High and Mr. Dewayne High, District operators; Ms. Robin Goin, tax assessor-collector for District; Ms. Julia McCain, District auditor; Mr. Jeff Pena, District engineer; Ms. Claudia Redden, bookkeeper for the District; Mr. Warren White, a District resident; and Mr. W. James Murdaugh, Jr., attorney for the District.

The President called the regular meeting of the Board of Directors of Cypress Creek Utility District to order.

1. The Board reviewed the minutes of the meetings held on March 14, 2019. Upon motion duly made, seconded and unanimously carried, the Board approved the minutes as presented.

2. Mr. White approached the Board to express special thanks to Ms. High for her help during the past weeks with respect to reading the District’s smart water meters. He also stated that he was attempting to keep the neighborhood calm during the transition to the new garbage contractor, Texas Pride, and stated that he thought the Board had made the correct decision in that choice. He presented Ms. High with a bouquet, and the Board thanked him for his words and good will as well as his help with the neighborhood and District residents.

3. Ms. Redden presented the bookkeeper’s report, a copy of which is attached. The Board approved the investment report and noted the energy consumption 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.

4. Ms. McCain approached the Board to discuss the District's audit for the fiscal year ended December 31, 2018. She stated her firm was providing a clean, good opinion, and after discussions with the Board she agreed to add a footnote to the audit concerning the effects of Hurricane Harvey. She discussed certain discrepancies, now resolved, concerning billings from the North Harris County Regional Water Authority, and commended all District consultants on prompt and helpful responses. After a brief discussion, the Board unanimously approved the audit in substantially the form presented and authorized its filing with all appropriate entities. The Board also unanimously approved the attached Resolution Affirming the District's Investment Policy and Addressing the Annual Review of Qualified Brokers, and the investment officers further confirmed their review of investments for compliance with Texas Government Code, Chapter 2270.

5. Ms. Goin presented the tax assessor-collector's report, copy attached, which showed 95.117% collections for 2018 taxes with current certified taxable value in the District of \$173,822,977. The Board considered a list of uncollectable personal property accounts presented by Ms. Goin, and after a brief discussion unanimously authorized their transfer to the uncollectable rolls 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.

6. Mr. Pena presented the engineer's report, a copy of which is attached. He noted no change in information concerning the regional sewage treatment plant and addressed the status of negotiations with Cy-Fair ISD for an amendment to the existing contract in order to serve Old Matzke Elementary School. The Mills Walk lift station project is complete, and according to the engineer the contractor has done excellent work. The contractor had submitted a final pay request which was under review by the engineers. Mr. Pena discussed the status of the Texas Water Development Board projects, and on his recommendation the Board authorized the engineers to solicit requests for qualifications for a geotechnical sub-consultant with respect

to the Balcrest Drive/Jones Road water line replacement project. There was nothing new to discuss concerning surface water conversion, but the engineer stated that plans were approximately 95% complete. He also provided information concerning community meetings scheduled by Harris County Flood Control District to address proposed drainage improvements for Norchester and Prestonwood Forest.

7. Mr. High presented the operations report, a copy of which is attached, which showed 993 connections and 93% water accountability. Five bacteriological tests had been performed, all with good results. The operator discussed receipt of a credit from North Harris County Regional Water Authority, which had previously been addressed by the District's auditor. He reviewed information concerning FEMA buyouts as well as the status of the fourth amendment to the District's contract with Cy-Fair ISD. 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. The Board reviewed the status of its consideration of a method for emergency notification of District customers. The Board was reviewing information provided by Off Cinco, the District's website manager as well as Classic Messaging Services. Director Nixon agreed to obtain additional information from Off Cinco, and he and Director Dildy agreed to continue pursuing the matter.

9. Director Roensch had no new information to present with respect to the Lake Forest regional sewage treatment plant, after which President Land addressed a recent meeting of the North Harris County Regional Water Authority.

10. The Board considered proposed amendments to the District's rate order requested by President Land with respect to deposits for accounts which were frequently shut off due to late payment. Proposed changes to the rate order had previously been provided, and after

a brief discussion they were unanimously approved in accordance with the Order and Resolution which are attached.

11. The Board addressed the status of its review of District consultants and their contracts. The Board requested a special meeting be scheduled for noon, April 22, 2019 at the attorney's office to begin the process, and the attorney was requested to obtain proposed contracts from the bookkeeper and tax assessor-collector, as well as other appropriate consultants.

12. Finally, the Board addressed problems relating to the new trash collection contractor. President Land had contacted a representative and will meet and ride with the trash pickup scheduled for this coming Saturday. The Board agreed to continue efforts to resolve problems and achieve a smooth functioning garbage collection service for District residents.

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


Secretary