

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
May 9, 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 May 9, 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

and the following absent:

Rob Nixon, Director.

Also present were Mr. Jeff Pena, District engineer; Ms. Robin Goin, tax assessor-collector for District; 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.

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 April 11, 22 and 29, 2019. 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 95.255% collections for 2018 taxes with current certified taxable value in the District of \$174,622,551. The Board noted the special meeting scheduled for May 13 and requested that both Ms. Goin and the bookkeeper, Ms. Claudia Redden, be available to discuss their contracts. Ms. Redden agreed to arrive at 6:00 and Ms. Goin at 7:00 or sooner. 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. Ms. Redden presented the bookkeeper’s report, copy attached. The Board noted the energy consumption report and the report on sales tax/Strategic Partnership Agreement revenues. The Board reviewed and approved the investment report. 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. As previously requested by the Board Ms. Redden presented a draft of an amended budget for the current fiscal year. The Board agreed to take the matter under advisement for review and comment and approval, if appropriate, at the June or July meeting.

5. Mr. Pena presented the engineer's report, a copy of which is attached. There was no new information to present with respect to the Lake Forest regional sewage treatment plant. He stated that the service to Old Matzke Elementary School would be discussed later in the meeting and then addressed a request for service to a one-acre tract outside the District. The Board requested the engineer to advise that water and sewage treatment capacity was available for the proposed development, but in the meantime wanted to take the matter under advisement for further review and consideration. The Mills Walk lift station project was complete with a one-year warranty review set for February, 2020. Mr. Pena then discussed the projects funded by the 2018 Texas Water Development Board bond issues and noted the request for geotechnical consultant proposals for the water line project. Responses will be presented to the Board at the June 13 meeting.

6. Mr. High presented the operations report, copy attached. Service had been provided in the previous month to 1,019 connections with 99% water accountability. Five bacteriological tests had been performed, all with good results. Mr. High addressed various customer service calls as well as a sewer blockage resulting from two large trash bags, and displayed for the Board a sample of sewer service lines used forty years ago. He then noted onerous TWDB requirements for reports as a result of the recent loans to the District by the TWDB and then talked about issues related to the District's water quality, specifically the current superior water quality rating. He was reviewing the matter and coordinating with the engineer, who had agreed to provide additional information at the next meeting. Mr. High reviewed the status of FEMA buyouts and further reported that a draft of the annual Consumer Confidence Report would be available for review and action at the June meeting. 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 attorney distributed the annual conflicts questionnaire to the four Board members present, each of whom reported no conflicts of interest. Director Roensch had nothing to present as far as the Lake Forest regional sewage treatment plant was concerned, and President Land then discussed a recent meeting of the North Harris County Regional Water Authority.

8. With respect to previous special meetings of the Board, as a result of such meetings the Board unanimously approved proposed new contracts, effective January 1, 2019, with the operator, engineer, and attorney. Execution of the contracts was authorized.

9. Director Dildy discussed recent review with Director Nixon of proposals for emergency notification to District residents, and it was her and Director Nixon's recommendation that the District engage the services of Off Cinco, the current website provider, and after a further discussion it was agreed that the options selected by the Board would be the pay-per-use email message alert proposal at \$50.00 a month, and the pay-per-use text message alert proposal at \$50.00 a month. The Board agreed that the District would review the use of emergency notification over time to address whether additional options would be appropriate. The attorney was requested to coordinate with Off Cinco to appropriately document tonight's decision, and the attorney also agreed to notify the bookkeeper of a possible additional change in the proposed budget amendment.

10. The Board discussed the status of garbage collection with the new service provider, Texas Pride, and while there was significant improvement, President Land stated additional work needed to be done.

11. Finally, the attorney addressed the status of negotiations with Cy Fair ISD for the Fourth Amendment to the existing contract for water and sanitary sewer service. A new

exhibit correctly showing all connections through Cy Fair ISD facilities had been prepared, and a new rate schedule had been provided by the district's operator. He also reported that the school district had agreed to cover the costs incurred by the operator, engineer, and attorney in negotiating and preparing the Fourth Amendment. Based on the discussion the Board noted its approval of the proposed contract as reviewed by the attorney, who stated that a final, executed contract would likely be available by the June meeting.

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


Secretary

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	Prior Year	Net
	August	58,319	\$6,966.86	\$0.119	\$6,799.52	\$ (167.34)
	September	45,537	\$5,548.70	\$0.122	\$7,133.62	\$ 1,584.92
	October	42,122	\$5,466.01	\$0.130	\$7,026.88	\$ 1,560.87
	November	42,763	\$5,545.87	\$0.130		
	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	26,821	\$3,074.15	\$0.115		
	November	28,080	\$3,833.44	\$0.137		
	December	26,784	\$2,930.57	\$0.109		
	TOTAL	1,473,357	\$190,847.93			
	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.

Cypress Creek Utility District
Energy Consumption - Electricity

	<i>Month</i>	<i>KWH/CCF</i>	<i>Amount Paid</i>	<i>Cost / kWh</i>
2019	January	24,480	\$2,361.06	\$0.096
	February	26,264	\$3,271.46	\$0.125
	March			#DIV/0!
	April			#DIV/0!
	May			#DIV/0!
	June			
	July			
	August			
	September			
	October			
	November			
	December			
2020	January			
	February			
	March			
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	July			
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	September			
	October			
	November			
	December			
	TOTAL	1,524,101	\$196,480.45	
Average Cost / kWh				\$0.129

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