

CYPRESS CREEK UTILITY DISTRICT

Minutes of Meeting of Board of Directors
September 12, 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 September 12, 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 Ms. Christine High, Mr. Dwayne and Mr. Wesley High, District operators; Ms. Robin Goin, tax assessor-collector for District; Ms. Claudia Redden, bookkeeper for the District; Mr. Jeff Pena, District engineer; Mr. David Smalling, financial advisor; 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 August 8, 2019, and upon motion duly made, seconded, and unanimously carried, the minutes were approved as presented.
2. The Board opened the floor for public comment. No public comment was offered.
3. Ms. Redden presented the bookkeeper's report, a copy of which is attached. The Board reviewed and approved the investment report, noted the energy consumption report and the District's Strategic Partnership Agreement report. In that regard, the bookkeeper provided a new format for energy consumption reporting which was approved by the Board. The Board expressed reservations and questions with regard to certain checks, but subject to that discussion, upon motion duly made, seconded and unanimously carried, the bookkeeper's report was approved as was 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 97.614% collections for 2018 taxes with current taxable value in the District of \$174,553,457. The attorney agreed to investigate the Harkor Homes delinquent account. Subject to that inquiry, upon motion duly made, seconded and unanimously carried, the Board approved the tax assessor-collector's report and the checks listed thereon.

5. Mr. Smalling approached the Board to discuss the tax rate for 2019, and noted an increase in taxable value in the District. After a further discussion, and on his recommendation, the Board agreed to set a 2019 debt service tax rate of \$0.21 per \$100 assessed valuation and a \$0.1375 maintenance and operations tax. All Board members present with the exception of Director Jackson voted in favor and authorized the tax assessor-collector to publish notice of the intended rate so that the District would be in a position to set its tax rate at the October meeting.

6. Mr. Pena presented the engineer's report, copy attached. He discussed the status of the Lake Forest regional sewage treatment plant and the Mills Walk lift station rehabilitation project (one-year warranty review scheduled for February, 2020). He then reviewed plans for the sanitary sewer rehabilitation project and stated that six bids had been received. The first two low bidders had submitted incomplete bids, including insufficient references and specifications, and therefore the engineer recommended that the contract be awarded to the third low bidder, PM Construction and Rehabilitation, at a contract price of \$131,920. After a brief discussion and based on the engineer's recommendation the Board approved such award of the contract. Mr. Pena addressed the status of plans for the water line replacement on Balcrest/Jones, and stated that Geotech was to begin coring and drilling this weekend. He reviewed information from the North Harris County Regional Water Authority and stated that next month the North Authority would provide a letter to the District requesting acceptance and maintenance of chlorination facilities to be constructed at the District's water plant. The engineer was in process of completing a report to be submitted to the Texas Commission of Environmental Quality concerning the proposed polyphosphate treatment program, and he then addressed a recent inspection of the water plant and remote well by the TCEQ. He recommended no action be taken at this time pending receipt of an official letter from the TCEQ, at which time the engineer will provide a written recommendation.

7. Mr. Dwayne High presented the operations report, copy attached, which showed 93% water accountability and 996 total connections. Five bacteriological tests had been performed, all with good results. The operator reviewed the results of the recent TCEQ inspection on August 30, 2019 which previously had been addressed by the District engineer. He reviewed two meter repairs and minor leak repairs. 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 considered recommendations for changes to the District's Rate Order provided by the attorney and operator as a result of their annual review, and after a full discussion the Board unanimously approved the attached Resolution for Adoption of Order and Order for Adoption of Schedule of Rates.

9. Director Roensch stated there was no new information to present concerning the Lake Forest Regional sewage treatment plant, and President Land reported on the status of the North Harris County Regional Water Authority and his attendance at the most recent meeting.

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


Secretary