

CERTIFICATE FOR ORDER OR RESOLUTION

THE STATE OF TEXAS §
COUNTIES OF TRAVIS AND WILLIAMSON §

The undersigned officers of the Board of Directors of the Ranch at Cypress Creek Municipal Utility District No. 1 of Travis and Williamson Counties, Texas (the "District") hereby certify as follows:

The Board of Directors of the Ranch at Cypress Creek Municipal Utility District No. 1 convened in regular session on the 12th day of September 2019, at Austin Community College, Cypress Creek Campus, 1555 Cypress Creek Road, Room 1114, Cedar Park, Texas, a location outside the boundaries of the District, and the roll was called of the duly constituted officers and members of the Board, to wit:

- Troy Fielding President
Chris Schneider Vice President
Leo Ramirez Treasurer
Gary Riffle Assistant Secretary
Patrice Coles Secretary

and all of said persons were present, except for the following absentees: NONE, thus constituting a quorum. Whereupon, among other business, the following was transacted at the meeting:

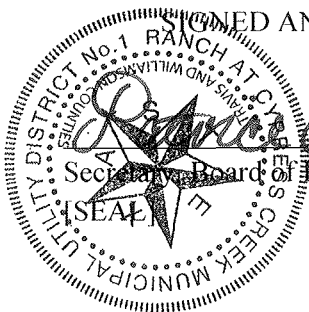
AN ORDER OF THE BOARD OF DIRECTORS OF THE RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1; ESTABLISHING VIOLATIONS OF DEED RESTRICTIONS AS VIOLATIONS OF DISTRICT RULES; ESTABLISHING VIOLATIONS OF CERTAIN STATE LAWS AS VIOLATIONS OF DISTRICT RULES; PROVIDING FINDINGS OF FACT; PROVIDING PENALTIES UP TO \$10,000.00 PER VIOLATION; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR OPEN MEETING; PROVIDING AN EFFECTIVE DATE.

was introduced for the consideration of the Board. It was then duly moved and seconded that the Order of Resolution be adopted, and, after due discussion, the motion, carrying with it the adoption of the Order or Resolution prevailed and carried by the following vote:

AYES: ALL PRESENT
NOES:

That a true, full and correct copy of the aforesaid Order or Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; and that said Order or Resolution has been duly recorded in said Board's minutes of said meeting; that the persons named in the above and foregoing paragraph were duly chosen, qualified and acting officers and members of the Board as indicated therein, that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; that public notice of the time, place and subject of said meeting was given as required by the Texas Government Code, §551.043, as amended, and §49.063 of the Texas Water Code, as amended, and that the undersigned are the duly chosen, qualified and acting officers of the current Board of Directors.

SIGNED AND SEALED this 12th day of September 2019.



Signature of Patrice Coles, Secretary of the Board of Directors.

Signature of Troy Fielding, President of the Board of Directors.

**AN ORDER OF THE BOARD OF DIRECTORS OF THE RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1; ESTABLISHING VIOLATIONS OF DEED RESTRICTIONS AS VIOLATIONS OF DISTRICT RULES; ESTABLISHING VIOLATIONS OF CERTAIN STATE LAWS AS VIOLATIONS OF DISTRICT RULES; PROVIDING FINDINGS OF FACT; PROVIDING PENALTIES UP TO \$10,000.00 PER VIOLATION; PROVIDING FOR REPEAL OF CONFLICTING PROVISIONS; PROVIDING FOR SEVERABILITY; PROVIDING FOR OPEN MEETING; PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, The Ranch at Cypress Creek Municipal Utility District No. 1 (“District”) is a political subdivision created and operating under Texas Constitution Article XVI, Section 59, and Texas Water Code Chapters 49 and 54; and

**WHEREAS**, Texas Water Code Section 54.237 provides the District with authority to “take all actions necessary to enforce a restriction, including the initiation, defense, or intervention in litigation or an administrative proceeding to enjoin or abate the violation of a restriction when, in the reasonable judgment of the board of directors of the [D]istrict, enforcement of the restriction is necessary to sustain taxable property values in the [D]istrict”; and

**WHEREAS**, Texas Water Code Section 49.004, provides the Board of Directors with authority to set reasonable civil penalties, up to \$10,000.00 for the breach of any rule of the District; and

**WHEREAS**, a penalty imposed under Section 49.004 is in addition to any other penalty provided by the law of this state and may be enforced by complaints filed in the appropriate court of jurisdiction in the county in which the District’s principal office is located; and

**WHEREAS**, Board of Directors of the District (“Board”) finds that enforcing deed restrictions through the imposition of civil penalties assessed under the aforesaid Texas Water Code provisions will (i) provide the District with a cost effective means of enforcing deed restrictions, without having to resort to filing litigation against property owners, and (ii) help sustain taxable property values within the District; and

**WHEREAS**, the Board finds that, in addition to enforcing deed restrictions, protecting and promoting the general welfare and safety of the District, its properties, and its water supplies, will also help sustain taxable property values within the District; and

**WHEREAS**, Texas Water Code Section 54.205 authorizes the Board to adopt and enforce reasonable rules to secure and maintain safe, sanitary, and adequate plumbing installations, connections, and appurtenances as subsidiary parts of its sanitary sewer system; preserve the sanitary condition of all water controlled by the District; prevent waste or the unauthorized use of water controlled by the District; regulate privileges on any land or any easement owned or controlled by the District; and provide and regulate a safe and adequate freshwater distribution system; and

**WHEREAS**, Texas Water Code Section 49.216 provides the District’s peace officers with the authority to “make arrests when necessary to prevent or abate the commission of: (1) any offense against the rules of the district when the offense or threatened offense occurs on any land, water, or

easement owned or controlled by the district; (2) any offense involving injury or detriment to any property owned or controlled by the district; and (3) any offense against the laws of the state”; and

**WHEREAS**, the Board finds that adopting an administrative procedure under Texas Water Code Section 49.004 and 54.237 will provide an initial layer of due process to persons accused of violating a District rule and thereby possibly avoid the expenditure of resources both the District and the accused must make in litigating such matters in court;

**NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE RANCH AT CYPRESS CREEK MUNICIPAL UTILITY DISTRICT NO. 1 THAT:**

**Section 1. Findings of Fact.** The forgoing Recitals are true and accurate legislative findings of the Board.

**Section 2. Adoption of District Rules: Deed Restrictions.**

(a) The deed restrictions for each subdivision where the Board has authority to enforce such deed restrictions are hereby declared to be rules of the District.

(b) Any person who violates a deed restriction applicable to the real property that the person owns or resides at also violates a rule of the District, punishable by a civil penalty as provided herein.

**Section 3. Adoption of District Rules: Offenses Against District Property and Water Supply.**

(a) The statutory laws of the State of Texas are hereby declared to be rules of the District.

(b) Any person who violates a law of the State of Texas as applied to the District’s property, including, but not limited to, its water supply, also violates a rule of the District, punishable as provided herein.

**Section 4. Penalties and Administration.**

(a) Subsection (b) of this Section notwithstanding, pursuant to the District’s authority provided within Section 49.004, Texas Water Code, the Board reserves the authority to assess civil penalties up to \$10,000.00, per violation. Each instance or day that a violation occurs constitutes an additional violation. Penalties assessed will be in addition to any penalties provided under the laws of the State of Texas.

(b) The District’s enforcement policies are as follows, provided that the Board may, in its sole discretion, forgo any processes provided herein. Upon recognizing a violation of a District rule, the District will:

- (A) mail notice, via first class mail, to the property occupants or owners to remedy the violation with 15 days of the date of the notice;
- (B) thereafter, if the violation is not corrected, the District will mail a second notice, via first class mail, of the violation and direct the

occupants or owners to remedy the violation within 15 days of the second notice;

- (C) thereafter, if the violation is not corrected, the District will mail a third notice, via certified mail, requiring the occupants or owner to correct the violation within 15 days of the date of the notice, and that the occupants or owner will be assessed a civil penalty of \$75.00 if not corrected within 15 days;
- (D) thereafter, if the violation is not corrected, the District will mail an additional notice, via certified mail, requiring the occupants or owner to correct the violation within 15 days of the date of the notice, notifying them that they have been assessed a civil penalty of \$75.00, and that the occupants or owner will be assessed a civil penalty of \$125.00 if not corrected within 15 days;
- (E) thereafter, if the violation is not corrected, the District will mail an additional notice, via certified mail, requiring the occupants or owner to correct the violation within 15 days of the date of the notice, notifying them that they have been assessed a civil penalty of \$125.00, and that the occupants or owner will be assessed a civil penalty of \$175.00 if not corrected within 15 days;
- (F) thereafter, if the violation is not corrected, the District will mail an additional notice, via certified mail, requiring the occupants or owners to correct the violation, notifying them that the District has assessed a civil penalty of \$175.00, and that the District has referred the matter to the District's legal counsel to enforce the matter pursuant to Texas Water Code Chapters 49 and 54;
- (G) thereafter, if the violation is not correct, the District's legal counsel will provide notice to the occupants or owners that the District intends to pursue compliance pursuant to Texas Water Code Chapters 49 and 54;
- (H) thereafter, the Board will determine the course of action, including but not limited to collection enforcement of any outstanding funds owed to the District.

**Section 5. Adoption of Administrative Proceedings for Enforcement and Appeal Procedures: Violations of District Rules.**

- (a) Appealing Assessments of Civil Penalties.

Any person who the District assesses a civil penalty against may appeal the penalty directly to the Board of Directors in the following manner:

- (1) Within 10 days of the date of the notice, the accused person must request an appeal in writing (which includes email).
- (2) Appeals must be addressed to the Board of Directors in order to provide sufficient time to set the appeal for consideration by the Board of Directors at its next regular meeting. Appeals not received within 5 days of the regular meeting of the Board of Directors for that month will be set for consideration at the Board's regular meeting in the following month.

- (3) The Board of Directors will hear and consider appeals as an agenda item set for the Board's regular meeting.
- (4) At the beginning of each appeal, the Board of Directors may establish time limitations on the presentation of arguments and evidence.
- (5) During an appeal, the District's representatives will first present evidence to the Board of the alleged violation.
- (6) Thereafter, the person accused of committing the violation will be given the opportunity to review and rebut any evidence presented against them, as well as ask any pertinent questions of the District's representatives.
- (7) After reviewing the arguments and evidence presented by the District's representatives and the person accused of committing the violation, the Board of Directors will render a decision as to whether the person committed the alleged violation.
- (8) If the Board finds that the person violated a District rule, the Board may assess a penalty for each day that a violation occurred, up to the statutory limits provided under Texas Water Code Section 49.004, as amended.
- (9) If the Board finds that the person did not violate a District rule or other good reason why the person should not be fined, the Board will dismiss the notice of violation and will not assess a civil penalty.

**Section 6. Repeal of Conflicting Provisions.** Any Order or Resolution of the Board of Directors adopted prior to the effective date of this Order is hereby repealed to the extent that it conflicts with this Order.

**Section 7. Severability.** Should a court of competent jurisdiction find that any provision of this Order is unlawful or otherwise unenforceable, the provision will be severed from this Order and all other provisions will remain in full force and effect.

**Section 8. Open Meeting.** The Board of Directors considered and adopted this Order during a duly noticed open meeting, in compliance with Texas Government Code Chapter 551, the Texas Open Meetings Act.

**Section 9. Effective Date.** This Order is effective immediately on and after the date indicated below.

**APPROVED and ORDERED this 12th day of September, 2019.**

/s/ Troy Fielding  
President, Board of Directors

ATTEST:

/s/ Patrice Coles  
Secretary, Board of Directors

(SEAL)