

MINUTES

CYPRESS FOREST PUBLIC UTILITY DISTRICT

October 4, 2016

The Board of Directors (the "Board") of Cypress Forest Public Utility District, (the "District"), met in regular session, open to the public, on the 4th day of October, 2016, at the Cypress Forest Public Utility District Administrative Building, 16215 Champion Forest Drive, Spring, Texas 77379, inside the boundaries of the District, and the roll was called of the members of the Board:

Greg DiCioccio	President
Thomas J. Petrick	Vice President
David Normand	Secretary
John N. Parker	Assistant Secretary
James B. Fryfogle	Assistant Vice President

and all of the above were present except Director Petrick, thus constituting a quorum.

Also present for all or part of the meeting were Bob Smith and Alice Kanayan, residents of the District; Barb Smith of the Champion Forest Maintenance Fund (the "CF HOA") and resident of the District; Kim Shelnett of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd.; Andrew Phelps of Environmental Development Partners, LLC; Esther Flores of Tax Tech, Inc.; John F. Howell, Jr. of The GMS Group LLC; Les Griffith of Champions Hydro-Lawn, Inc. ("CHL"); and Greer Pagan and Justine M. Cherne of Allen Boone Humphries Robinson LLP ("ABHR").

Director DiCioccio called the meeting to order.

PUBLIC COMMENTS

Director DiCioccio opened the meeting to receive public comments. Mr. Smith addressed the Board regarding damage to the grass in his back yard. He stated the damage was caused by drainage of water into his yard from a developing commercial tract located on Louetta Drive near his residence. A copy of Mr. Smith's Public Comment Card is attached. There being no additional public comments, Director DiCioccio closed the meeting to public comments.

CONSENT AGENDA:

APPROVE MINUTES

FINANCIAL AND BOOKKEEPING, INCLUDING PAYMENT OF BILLS

TAX ASSESSMENT AND COLLECTION, INCLUDING PAYMENT OF BILLS

ENGINEERING, INCLUDING LONG-TERM MAINTENANCE PLAN

OPERATION OF DISTRICT FACILITIES

The Board concurred to remove the engineer's report from the Consent Agenda. Upon a motion made by Director Parker and seconded by Director Normand, the Board voted unanimously to approve the remaining items included on the Consent Agenda, including the minutes of the meeting held September 6, 2016. Copies of the bookkeeper's report, tax assessor/collector's report, and operator's report are attached.

RENEWAL OF PROMISSORY NOTE

Mr. Howell updated the Board on the proposed refinancing of the District's Promissory Note with the Bank of Texas scheduled to mature December 1, 2016, for a three-year term with a ten-year amortization schedule. Mr. Pagan discussed the schedule for the proposed refinancing.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt presented and reviewed with the Board one additional check for payment of an invoice for meeting expenses. Director DiCioccio discussed attending the Association of Water Board Directors Fall Seminar on Thursday, October 27, 2016. Following review and discussion, Director Normand moved to authorize execution of an additional check for meeting expenses and Directors' attendance at the seminar. Director Parker seconded the motion, which was approved by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection actions.

2016 TAX RATE

Ms. Flores stated that notice of the District's public hearing regarding adoption of the proposed 2016 tax rate was published. Director DiCioccio opened the public hearing regarding adoption of the District's tax rate and upon receiving no comment from the public, the Board concurred to close the public hearing. Following discussion, Director Parker moved to: (1) adopt an Order Levying Taxes for the 2016 tax year, levying a tax rate of \$0.28 per \$100 assessed valuation, with \$0.03 allocated for debt service and \$0.250 allocated for maintenance and operation expenditures; (2) authorize execution of an Amendment to Information Form; and (3) direct that the order and form be filed appropriately and retained in the District's official records. Director Fryfogle seconded the motion, which passed by unanimous vote. The Board confirmed its intention that the 2016 tax levy includes a debt service component for the calendar year ending December 31, 2017, and a maintenance tax component for the fiscal year ending September 30, 2017.

HOMEOWNERS ASSOCIATION MATTERS

Ms. Smith reported on CF HOA matters, including efforts to decrease the amount spent on electricity and a request from Champion Forest Eleven Homeowners Association, Inc. to join the CF HOA.

DEVELOPMENT AND MAINTENANCE OF PARKS AND TRAILS

Director Normand reported on matters related to the development and maintenance of park facilities and trails in Cypress Forest Park, and reported that the emergency repairs for damaged drainage pipes located under a bridge along the trail are complete.

Director Normand stated that Trees for Houston is scheduled to deliver 150 donated trees to the District in November, 2016. He reviewed and recommended approval of proposals from Bella Terra Care, Inc. ("BTC") for planting the donated trees in an amount not to exceed \$9,000.00 and installing 300 irrigation bubblers for the trees in an amount not to exceed \$16,000.00. He reviewed and recommended approval of a proposal from CHL for installing shredded mulch around the newly planted trees and the trees planted last year in the park in the approximate amount of \$1,950.00.

Director Normand discussed repairs and maintenance performed and needed for the irrigation system in the park. He reminded the Board that 40 of the irrigation system's 82 obsolete impact sprinkler heads were replaced last year because they were broken and worn out. He reviewed and recommended approval of a proposal from BTC for purchasing and replacing the remaining 42 impact sprinkler heads with effluent compliant, gear-driven rotary heads manufactured by Hunter Industries in an amount not to exceed \$10,122.00. He stated the proposal includes purchasing replacement control valve solenoids as needed.

Director Normand discussed Service Agreements prepared by ABHR for BTC and CHL to comply with newly implemented state laws and recommended attaching all of the proposals approved during the meeting and previously approved proposals and the Board concurred.

Following review and discussion, Director Normand moved to approve execution of Service Agreements with BTC and CHL and approval of the following: (1) a proposal from BTC for planting approximately 150 donated trees in an amount not to exceed \$9,000.00; (2) a proposal from BTC for installing 300 irrigation bubblers for the donated trees in an amount not to exceed \$16,000.00; (3) a proposal from CHL for installing shredded mulch around trees in the park in the approximate amount of \$1,950.00; and (4) a proposal from BTC for replacing 42 impact sprinkler heads for the park's irrigation system in an amount not to exceed \$10,122.00. Director Fryfogle seconded the motion, which was approved by unanimous vote.

PROPOSED DEVELOPMENT PROJECT FOR THE RAVENEAUX COUNTRY CLUB TRACT, INCLUDING ACTIONS RELATED TO THE LEASE AGREEMENT

There was no update on the status of the proposed development project for the Raveneaux Country Club tract. Director Parker reported that mowing has been performed for the lease back acreage.

ENGINEERING ACTION ITEMS

Mr. Joubran reviewed the engineer's report with the Board, a copy of which is attached.

Mr. Joubran recommended approval of a utility capacity reservation in the amount of 29 Equivalent Single Family Units for Bayou Café & Oyster Bar to be located in an existing facility at 8921 Louetta Road, Suite B. Following discussion, Director Normand moved to authorize execution of a utility commitment letter with a capacity reservation in the amount of 29 Equivalent Single Family Units with Bayou Café & Oyster Bar. Director Fryfogle seconded the motion, which was approved by unanimous vote.

Mr. Joubran discussed the anticipated schedule for obtaining regulatory approvals for the design plans for extending the District's water line along Louetta Road and west of Champion Drive to provide service for an eight-acre tract within the District for a proposed retail center and medical professional building. Following discussion, the Board concurred to table authorizing advertisement for bids for construction of the project, pending Mr. Joubran's review of the plans for any adverse drainage to the District.

REQUESTS TO PURCHASE AVAILABLE EXCESS CAPACITY

There was no update on the Kleinwood Joint Powers Board's coordination with Harris County Water Control Improvement District No. 116 and Heatherloch Municipal Utility District on their requests to purchase available excess capacity in the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP").

CONTRACT FOR CONVEYANCE OF WASTEWATER

Mr. Pagan reported that the Wastewater Transmission Agreement with Harris County Fresh Water Supply District No. 52 for the permanent transport of sewage flow through the District's sanitary sewer trunk lines and force main located along Champion Forest Drive and Cypresswood Drive to the KRWTP had been revised as discussed during the September 6, 2016, meeting and was ready for execution.

AGREEMENT FOR RECLAIMED WATER SERVICE AND RECLAIMED WATER SUPPLY AGREEMENT

There was no update on a proposed Agreement for Reclaimed Water Service with the Raveneaux Country Club or a proposed Reclaimed Water Supply Agreement with the Kleinwood Joint Powers Board related to the proposed construction of an effluent reuse treatment facility in the vicinity of the KRWTP.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Phelps reviewed proposed options for developing a water bill adjustment policy for the District. Following discussion, the Board concurred to table this item, pending review of the proposed options by all of the Directors.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE

The Board conducted a hearing on the termination of water service. Mr. Phelps presented a list of delinquent customers and reported the residents on the termination list were delinquent in payment of their water and sewer bills and were given written notification, in accordance with the District's Rate Order, prior to the meeting of the opportunity to appear before the Board of Directors to explain, contest, or correct their bills and to show why utility services should not be terminated for reason of non-payment. Following review and discussion, Director Parker moved to authorize termination of delinquent accounts in accordance with the District's Rate Order and direct that the delinquent customer list be filed appropriately and retained in the District's official records. The motion was seconded by Director Normand and passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Director DiCioccio reported on the monthly meeting of the NHCRWA, including employee and financing matters.

KRWTP MATTERS

There was no additional discussion on this item.

PUBLIC COMMUNICATIONS

The Board discussed articles for publication in the Champion Forest Women's Club Newsletter.

MEETING SCHEDULE AND AGENDA

The Board discussed its meeting schedule and items for inclusion on the next meeting agenda and concurred to hold its November 1, 2016, meeting at 5:00 p.m.

There being no other matters to come before the Board, the meeting was adjourned.

[SIGNATURE PAGE FOR THE MINUTES OF THE OCTOBER 4, 2016, BOARD MEETING]



Secretary, Board of Directors



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Public Comment Card	1
Bookkeeper's report.....	2
Tax Assessor/Collector's report	2
Operator's report.....	2
Engineer's report.....	4