

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

November 1, 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 1st day of November, 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 Parker, thus constituting a quorum.

Also present for all or part of the meeting were Alice Kanayan, 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. There being no 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

Upon a motion made by Director Petrick and seconded by Director Normand, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held October 4, 2016. Copies of the bookkeeper's

report, tax assessor/collector's report, engineer's report, and operator's report are attached.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt presented and reviewed with the Board one additional check for payment of an invoice from CHL for September, 2016. Director DiCioccio reported on the Association of Water Board Directors Fall Seminar held on Thursday, October 27, 2016. Following review and discussion, Director Petrick moved to authorize execution of the additional check. Director Normand seconded the motion, which was approved by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

Ms. Flores updated the Board on the District's contracts with Global Payments Direct, Inc./Global Check Services, Inc. ("Global") and Copperfield Services, Inc. for processing credit/debit card transactions. She stated that a termination letter has been received from Copperfield Services, Inc. She recommended the Board terminate the District's contract with Global and enter into a new contract with First Billing Services, LLC. After review and discussion, Director Fryfogle moved to terminate the contract with Global and enter into a contract with First Billing Services, LLC, as recommended. Director Petrick seconded the motion, which passed by unanimous vote.

Ms. Flores reviewed a proposed notice providing the tax assessor/collector's contact information for use by residents who did not receive their tax statements. Following review and discussion, the Board authorized placing the notice on the District's November and December, 2016 utility bills.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on Champion Forest Maintenance Fund matters, including efforts to decrease the speed limit on Cypresswood Drive.

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, including testing of the 42 newly replaced sprinkler heads for the irrigation system.

Director Normand reported on preparations undertaken for the delivery of 150 donated trees by Trees for Houston scheduled for Friday, November 4, 2016, including the installation of 300 irrigation bubblers in the park and the schedules for planting and mulching application.

Director Normand stated that the drainage pipes located under a bridge along the park trail have been repaired. Mr. Griffith reviewed photographs of the site taken after completion of the repairs, copies of which are attached. Mr. Joubran requested

that CHL provide him with a copy of the invoice for the repairs for inclusion in the District's application to the Federal Emergency Management Agency for reimbursement of costs related to the recent high water events.

Director Normand reported that the scheduled repair of damage to an irrigation system controller and gate valve caused by vandalism is estimated to cost approximately \$400.00 to \$500.00.

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.

RENEWAL OF PROMISSORY NOTE

Mr. Howell discussed refinancing the District's Promissory Note with the Bank of Texas. He stated that the note is scheduled to mature December 1, 2016, and discussed the District's financing requirements and budget. He discussed proposed bank loan terms from the Bank of Texas, including quarterly payments in an amount up to \$2,610,000 for a term of 36 months at a fixed rate not to exceed 2.33% and a ten-year amortization schedule. Following review and discussion, Director Fryfogle moved to approve the bank loan terms and adopt a Resolution Authorizing the Obligation, the Execution and the Payment of a Promissory Note with Bank of Texas. Director Petrick seconded the motion, which was approved by unanimous vote.

ENGINEERING ACTION ITEMS

Mr. Joubran highlighted items from the engineer's report, including Board authorization for advertisement/solicitation of bids for construction a 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.

Mr. Joubran stated that the engineer's report includes Board authorization for Pepe Engineering to present Harris County Fresh Water Supply District No. 52, now known as Champions Municipal Utility District, with a proposal for final design of the lift station improvements and force main facilities 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 Kleinwood Regional Wastewater Treatment Plant (the "KRWTP").

Mr. Joubran reported that the previously proposed request for annexation of a 13-acre tract located on Louetta Road, west of the drainage channel, into the District has been rescinded by the developer.

REQUESTS TO PURCHASE AVAILABLE EXCESS CAPACITY

Mr. Griffith updated the Board 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 KRWTP.

CONTRACT FOR CONVEYANCE OF WASTEWATER

There was no additional discussion regarding the District's Wastewater Transmission Agreement with Champions Municipal Utility District 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.

AGREEMENT FOR RECLAIMED WATER SERVICE AND RECLAIMED WATER SUPPLY AGREEMENT

Director Petrick updated the Board on a proposed Agreement for Reclaimed Water Service with the Raveneaux Country Club and 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 customer correspondence requesting an adjustment to the customer's high water bill caused by a leaking irrigation system while the customer was out of town. Following review and discussion, the Board concurred to deny the request.

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 DiCioccio 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 Petrick and passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Director DiCioccio reported that the monthly meeting of the NHCRWA will be held on November 8, 2016.

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 December 6, 2016, meeting at 4:00 p.m. at ABHR's offices.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE NOVEMBER 1, 2016, BOARD MEETING]


Secretary, Board of Directors

(SEAL)



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