

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

December 6, 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 6th day of December, 2016, at the offices of Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2400, San Jacinto Room (24th Floor), Houston, Texas, 77027, outside the boundaries of the District, and the roll was called of the members of the Board:

Gregory 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, thus constituting a quorum.

Also present for all or part of the meeting were Mark Roth of Roth & Eyring, PLLC; Kim Shelnett of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd.; Andrew Phelps and Stephanie Bowden of Environmental Development Partners, LLC; Esther Flores of Tax Tech, Inc.; 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 Parker 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 November 1, 2016. Copies of the bookkeeper's report, tax assessor/collector's report, engineer's report, and operator's report are attached.

AUDIT FOR FISCAL YEAR END SEPTEMBER 30, 2016

Mr. Roth presented and reviewed with the Board a draft audit for fiscal year ended September 30, 2016. After review and discussion, Director Petrick moved to approve the audit, subject to final comments from the Board and consultants, and direct that the finalized audit be filed appropriately and retained in the District's official records. Director Parker seconded the motion, which was approved by unanimous vote.

EMINENT DOMAIN REPORT

Mr. Pagan reported ABHR has filed the District's Eminent Domain Authority Annual Report with the Comptroller of the State of Texas pursuant to Senate Bill 1812.

TRAVEL REIMBURSEMENT GUIDELINES

The Board discussed the District's Travel Reimbursement Guidelines and Directors' attendance at the Association of Water Board Directors winter conference. Following discussion, Director Normand moved to approve payment of two per diems for the winter conference. Director Petrick seconded the motion, which was approved by unanimous vote.

RENEWAL OF PROMISSORY NOTE

Mr. Pagan reported that the District's refinanced Promissory Note with the Bank of Texas funded on December 1, 2016, for a term of three years.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

There were no additional financial or bookkeeping action items.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

Ms. Flores and Director Petrick discussed customer contact regarding tax bills.

HOMEOWNERS ASSOCIATION MATTERS

Director Petrick reported on Champion Forest Maintenance Fund and Champion Forest Eleven Homeowners Association matters.

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 the planting of 150 donated trees by Trees for Houston and installation of 300 irrigation bubblers for the trees. He reported on repairs being made to restore electrical power to the irrigation system located on the east side of the park. Discussion ensued regarding trail and related bridge projects being performed near the District.

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

Directors Parker and Petrick reported on discussions they had with Michael Bloch regarding the status of the proposed development project for the Raveneaux Country Club tract.

ADDITIONAL ENGINEERING ACTION ITEMS

There were no additional engineering action items.

REQUESTS TO PURCHASE AVAILABLE EXCESS CAPACITY

Director Petrick reported that Harris County Water Control Improvement District No. 116 and Heatherloch Municipal Utility District plan to purchase available excess capacity in the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP") from other participants in the plant.

PROJECT FOR CONVEYANCE OF WASTEWATER

Mr. Joubran discussed and responded to Board members' questions regarding the proposed schedule for design and construction of lift station improvements and force main facilities for the permanent transport of Champions Municipal Utility District's 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 meetings he attended with the owners of the Champions Golf Course and representatives of Champions Municipal Utility District regarding reclaimed water service and agreements 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 and explained significant system repairs included on the operator's invoice and discussed communication with residents regarding responsibility for sewer line obstructions. He explained commercial meter testing and replacement procedures in response to Director Petrick's inquiry.

The Board discussed proposed options for developing a water bill adjustment policy for the District. Following discussion, the Board concurred to continue with the District's current policy of considering individual water bill adjustment requests. Discussion ensued regarding options for educating the District's residents on fees charged to the District by the North Harris County Regional Water Authority (the "NHCRWA"). Following discussion, the Board requested that Mr. Phelps provide

samples of billing methods for NHCRWA fees used by other municipal utility districts for review.

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 Normand 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 Parker and passed by unanimous vote.

NHCRWA MATTERS

Director DiCioccio reported on NHCRWA matters, including a scheduled \$0.50 increase in NHCRWA fees, financing matters, and effluent projects receiving credits per the NHCRWA's Water Conservation Reuse Incentive Program.

KRWTP MATTERS

Director Petrick reported on KRWTP matters, including budget and repair items.

PUBLIC COMMUNICATIONS

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

HOUSTON NORTHWEST CHAMBER OF COMMERCE MATTERS

Director Petrick reported that he has been asked to join the Houston Northwest Chamber of Commerce (the "HNWCC"). He discussed the HNWCC's Grow Northwest economic development initiative and requested approval for payment of HNWCC membership fees in the amount of \$300.00. Following discussion, Director Parker moved to authorize payment of HNWCC membership fees in the amount of \$300.00. Director Fryfogle seconded the motion, which was approved by unanimous vote.

MEETING SCHEDULE AND AGENDA

The Board discussed its meeting schedule and items for inclusion on the next meeting agenda and concurred to hold its January 3, 2017, meeting at 5:00 p.m. at the District's Administrative Building.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE DECEMBER 6, 2016, BOARD MEETING]


Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	1
Tax Assessor/Collector's report	1
Engineer's report.....	1
Operator's report.....	1