

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

April 5, 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 5th day of April, 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
Fred P. Jones	Vice President
Thomas J. Petrick	Secretary
David Normand	Assistant Secretary
John N. Parker	Assistant Vice President

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

Also present for all or part of the meeting were Jim Fryfogle, resident 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 ("EDP"); Esther Flores of Tax Tech, Inc.; Les Griffith of Champions Hydro-Lawn, Inc.; and Greer Pagan and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

Director DiCioccio called the meeting to order.

PUBLIC COMMENTS

Director DiCioccio opened the meeting to receive public comments. Ms. Smith addressed the Board and reported on a telephone call she received from a resident regarding a high water bill and suggested that the Board provide her with a checklist of procedures for addressing high water usage for publication in the Champion Forest Women's Club Newsletter. Following discussion as part of the public communications agenda item, the Board authorized Director Petrick and Mr. Phelps to coordinate on providing information to Ms. Smith for a newsletter article regarding procedures for addressing high water usage.

Ms. Smith reported on WCA Waste Corporation of Texas' favorable response to her telephone call requesting removal of heavy trash located at a residence.

There being no additional public comments, Director DiCioccio closed the meeting to public comments. A copy of Ms. Smith's Public Comment Card is attached.

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 minutes of the March 1, 2016, meeting of the Board were previously distributed. The Board concurred to remove the engineer's report from the Consent Agenda. Upon a motion made by Director Normand and seconded by Director Petrick, the Board voted unanimously to approve the remaining items included on the Consent Agenda, except for Director Jones who was not present for the discussion or the vote. Copies of the bookkeeper's report, tax assessor/collector's report, and operator's report are attached.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt presented and reviewed with the Board two additional checks for payment of invoices for Administrative Building and meeting expenses. Following review and discussion, Director Parker moved to authorize execution of the two additional checks as presented. Director Petrick seconded the motion, which was approved by unanimous vote, except for Director Jones who was not present for the discussion or the vote.

RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board considered renewal of the District's insurance policies and reviewed a proposal from Arthur J. Gallagher & Co. which contained a decrease in the premium amount invoiced last year. Following review and discussion, Director Petrick moved to approve the renewal proposal for the District's insurance policies from Arthur J. Gallagher & Co. in the amount of \$16,524.00. Director Parker seconded the motion, which was approved by unanimous vote.

HOMEOWNERS ASSOCIATION MATTERS

Ms. Smith reported on items discussed during the CF HOA's monthly Board of Directors meeting and discussed CF HOA activities, including removal and replacement of a dead tree on Cypresswood Drive and the delayed schedule for the installation of a sidewalk due to Harris County's schedule for repairing a sink hole in the area. She thanked the Board for the District's participation in the CF HOA's irrigation system controller replacement project.

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 efforts to protect trees from beaver damage, repair of the irrigation sprinkler system, damage caused by automobile access to the park, and incidents of park use after hours. Following discussion, the Board authorized Director Normand to research options for preventing automobile access to the park for review.

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

The Board discussed the status of the proposed development project for the Raveneaux Country Club tract and tree and trash maintenance matters for the leased property. Discussion ensued regarding coordination between the Raveneaux Country Club's consulting engineer and the Harris County Flood Control District to determine methods for reinstating proper drainage on the leased property and related United States Army Corps of Engineers permitting matters. Following discussion, the Board authorized Director Parker to discuss trash maintenance and drainage matters with the Raveneaux Country Club's General Manager and report back.

ENGINEERING ACTION ITEMS

Mr. Joubran reviewed the engineer's report, a copy of which is attached. He reported on the status of reviewing construction plans for a new retail center at 8921 Louetta Road in coordination with EDP. He recommended approval of a request for utility commitment allocation for the facility in the amount of 640 gallons per day of water supply and 430 gallons per day of sewage treatment capacity. Discussion ensued regarding the proposed usage of the capacity. Following review and discussion, Director Normand moved to approve the engineer's report, including execution of a utility commitment letter with Wind Energy LLC for 8921 Louetta Road as recommended. Director Petrick seconded the motion, which was approved by unanimous vote.

CONTRACT FOR CONVEYANCE OF WASTEWATER

The Board discussed preparation of a contract by the attorney for Harris County Fresh Water Supply District No. 52 for the proposed 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"). Discussion ensued regarding the proposed schedule for the project.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

Ms. Flores reviewed and reported on tax maintenance revenue receipts and transfers in response to Board members' inquiries.

AGREEMENT FOR RECLAIMED WATER SERVICE AND RECLAIMED WATER SUPPLY AGREEMENT

The Board discussed matters related to a proposed effluent reuse treatment facility to be located in the vicinity of the KRWTP, including 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. The Board reviewed draft cost models for the project prepared by the District's financial advisor and discussed matters related to requirements for issuing tax exempt bonds and the KRWTP's proposed effluent water rate. Discussion ensued regarding the status of negotiations between the proposed participants in the project, including the Champions Golf Club and Harris County Fresh Water Supply District No. 52. Following review and discussion, the Board requested that Mr. Pagan prepare a list of bullet points for a proposed Agreement for Reclaimed Water Service with the Champions Golf Club.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

There were no additional District facility operations action items.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE

Mr. Phelps recommended reclassifying 19 accounts totaling \$4,668.62 as uncollectible and removing them from the District's delinquent list. Following review and discussion, Director Parker moved to authorize write-off of the accounts as recommended. Director Normand seconded the motion, which was approved by unanimous vote, except for Director Jones who was not present for the discussion or the vote.

The Board conducted a hearing on the termination of water service. Mr. Phelps reported that the customers included on the delinquent list were delinquent by more than 50 days and had been given written notice 10 days prior to this meeting of the opportunity to appear before the Board to explain, contest or declare why the utility service should not be terminated for reason of nonpayment. Following review and discussion, Director Parker moved to terminate the service for the customers on the list in 10 days if the bill is not paid in accordance with the District's Rate Order. Director Normand seconded the motion, which was approved by unanimous vote, except for Director Jones who was not present for the discussion or the vote.

ANNUAL REVIEW AND REPORT ON IDENTITY THEFT PREVENTION PROGRAM

Mr. Phelps reviewed an annual report on the District's Identity Theft Prevention Program, a copy of which is included in the operator's report. He stated that the report indicates there were no significant incidents of identity theft detection. He recommended continued implementation of the program without changes. Following review and discussion, Director Normand moved to approve the annual report as submitted. Director Parker seconded the motion, which was approved by unanimous vote, except for Director Jones who was not present for the discussion or the vote.

ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

Mr. Phelps reviewed with the Board a draft annual report on implementation of the District's Water Conservation Plan, a copy of which is attached to the operator's report, and discussed annual reporting requirements required prior to May 1, 2016. Following review and discussion, Director Petrick moved to approve the annual report upon finalization. Director Parker seconded the motion, which was approved by unanimous vote, except for Director Jones who was not present for the discussion or the vote.

AUTHORIZE OPERATOR TO FILE 2015 WATER LOSS AUDIT

Mr. Phelps reviewed with the Board a draft water loss audit for the District, a copy of which is attached to the operator's report. Following review and discussion, Director Normand moved to authorize the District's operator to file the required water loss audit upon finalization. Director Parker seconded the motion, which was approved by unanimous vote, except for Director Jones who was not present for the discussion or the vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

The Board reviewed correspondence from the NHCRWA requesting contact information for use in updating its Emergency Preparedness Plan, a copy of which is attached, and directed EDP to respond to the request.

Director DiCioccio stated that he concurs with the summary of the NHCRWA's March 7, and April 4, 2016, monthly meetings included in the engineer's report.

KRWTP

Director DiCioccio discussed the operations and maintenance of the KRWTP, including the schedule for a rehabilitation project for clarifier no. 1, punch list items being addressed by the contractor for the bar screen replacement project, and a proposed capacity analysis update. He reported that an annual tour of the plant is scheduled for April 20, 2016.

APPROVE ATTENDANCE AT CONFERENCES OR MEETINGS

The Board discussed an Association of Water Board Directors ("AWBD") Spring Membership Breakfast scheduled for April 22, 2016. Following discussion, Director Parker moved to authorize Directors to attend the breakfast. Director Petrick seconded the motion, which was approved by unanimous vote, except for Director Jones who was not present for the discussion or the vote.

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 meeting agenda and concurred to hold its May 3, 2016, 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 APRIL 5, 2016, BOARD MEETING]



Secretary, Board of Directors



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