

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

July 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 July, 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
James B. Fryfogle	Director
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 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. ("Pepe Engineering"); Andrew Phelps of Environmental Development Partners, LLC; 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. There being no public comments, Director DiCioccio closed the meeting to public comments.

2016 DIRECTORS ELECTION

The Board reviewed the Sworn Statement and Oath of Office for Director Petrick. After review and discussion, Director Normand moved to approve the Sworn Statement and Oath of Office and direct that the documents be filed appropriately and retained in the District's official records. Director Parker seconded the motion, which passed by unanimous vote.

REORGANIZE THE BOARD AND ELECT OFFICERS

The Board considered reorganizing. Following discussion, Director DiCioccio moved to reorganize the Board as follows:

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

Director Petrick seconded the motion, which passed by unanimous vote.

The Board discussed District task assignments. Director DiCioccio moved to appoint the following task assignments: Director DiCioccio to continue as the District's liaison to the engineer; Director Petrick to serve as the District's representative on the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP") Joint Powers Board; Director Normand to continue to lead the park committee; Director Parker to continue as the District's liaison to the Raveneaux Country Club; and Director Fryfogle to lead the District's finance and budget committee. Director Petrick seconded the motion, which was approved by unanimous vote.

AUTHORIZE EXECUTION AND FILING OF DISTRICT REGISTRATION FORM

The Board reviewed an updated District Registration Form reflecting the Directors' new offices for filing with the Texas Commission on Environmental Quality. After review and discussion, Director Parker moved to authorize execution of the updated District Registration Form and direct that the form be filed appropriately and retained in the District's official records. Director Petrick seconded the motion, which passed unanimously.

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

No meeting minutes were previously distributed. The Board concurred to remove the engineer's report from the Consent Agenda. Upon a motion made by Director Parker and seconded by Director Petrick, the Board voted unanimously to approve the remaining items included on the Consent Agenda. Copies of the bookkeeper's report, tax assessor/collector's report, and operator's report are attached.

NOTICE OF RECYCLE RATE ADJUSTMENT FROM WCA WASTE MANAGEMENT

The Board discussed previously reviewed correspondence from WCA Waste Management requesting an adjustment to the recycling rate included in the District's Residential Solid Waste Collection Contract from \$3.94 to \$5.83, effective May 1, 2016. Discussion ensued regarding the number of households participating in recycling and the impact of the increase on the District's budget. Ms. Smith reported that a straw poll of approximately 200 residents found that recycling services are important to the residents. Following discussion, the Board concurred to take no action.

ADDITIONAL OUT-OF-DISTRICT MEETING PLACE

The Board discussed establishing an additional meeting place outside of the boundaries of the District. Following review and discussion, the Board concurred to take no action.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD")

The Board discussed topics presented in sessions attended during the AWBD summer conference and reviewed Directors' conference expenses. Following review and discussion, Director Parker moved to approve reimbursement of eligible expenses for the AWBD summer conference and to authorize Directors' attendance at the winter conference. Director Petrick seconded the motion, which was approved by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnett presented and reviewed with the Board two additional checks for payment of an invoice for meeting expenses and reimbursement of Director expenses for the AWBD summer conference. Following review and discussion, Director Parker moved to authorize execution of the additional checks as presented. Director Petrick seconded the motion, which was approved by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment and collection action items.

HOMEOWNERS ASSOCIATION MATTERS

Ms. Smith reported on CF HOA matters and stated that Harris County Precinct 4 found no issues with the storm sewer drains in the District. She thanked Mr. Joubran and Mr. Griffith for their actions related to the installation of a sidewalk.

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 irrigation and maintenance schedules and removal of sediment from the trail located under the bridge. He noted that sediment removal at that trail location will be a reoccurring matter at least twice a year. He reported on discussions with area park organizations and the Board confirmed its intention that use of the Cypress Forest Park is to remain passive.

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. Discussion ensued regarding the efforts of the club's management to address long term drainage matters and damage to the tract caused by the recent high water event.

DEVELOPMENT FINANCING AGREEMENT

The Board discussed a request from District & Urban (Texas) Inc. ("D&U") for extension of 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. Pagan presented and reviewed with the Board a proposed Development Financing Agreement with D&U. After review and discussion, Director Petrick moved to authorize execution of the Development Financing Agreement with D&U. Director Fryfogle seconded the motion, which carried unanimously.

REQUEST FOR PURCHASE OF TRACT OF LAND

The Board concurred to table and remove this item from the agenda.

ENGINEERING MATTERS, AGREEMENT FOR RECLAIMED WATER SERVICE, AND RECLAIMED WATER SUPPLY AGREEMENT

Mr. Joubran reviewed items from the engineer's report, a copy of which is attached. He reported on the status of the review and analysis of televised inspections of sanitary sewer trunk lines within Champion Forest, Sections One and Two. He presented and reviewed with the Board an invoice for partial payment of the televised inspections and the review of those inspections in the amount of \$41,788.80. He reported that the District's bookkeeper has been provided with an allocation of charges owed by Cy-Champ Public Utility District and Louetta North Public Utility District for the project to prepare invoices. Following review and discussion, Director Normand

moved to authorize payment of the invoice as presented. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Joubran reviewed a proposal from Pepe Engineering for a feasibility study for the District's internal infrastructure needs for receiving, transporting, and storing reclaimed water once it is delivered from the KRWTP in an amount not to exceed \$67,327.00. Discussion ensued regarding the proposed project to construct an effluent reuse treatment facility 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 discussed estimated costs and proposed financing for the project, anticipated effluent water rates, and application of the North Harris County Regional Water Authority's (the "NHCRWA") credit program. Additional discussion ensued regarding the status of negotiations between the proposed participants in the project. Following discussion, the Board concurred to table consideration of the proposal from Pepe Engineering, pending Champions Golf Club's verified participation in the project.

Mr. Joubran discussed coordination with the District's operator and reported on additional investigation of a failure of the outfall into the District's drainage channel at the extension of Champion Drive at Cypresswood Drive. He reviewed a proposal from Pepe Engineering for preparing emergency plans for permitting and repair of the pipe failure, the resulting sinkhole, the channel erosion around the failed pipe, and additional failures in Cypress Forest Park and along the District's drainage channel in the amount of \$9,463.00. He discussed preparing an application requesting reimbursement for the cost of the repairs from the Federal Emergency Management ("FEMA") through a program available to local governments within the declared disaster area. Following review and discussion, Director Normand moved to approve the proposal from Pepe Engineering for preparing emergency plans and authorize the District's consultants to coordinate on the preparation and submission of an application to FEMA for reimbursement of the cost of the repairs. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Joubran reported on an inquiry regarding the feasibility of annexing a 13-acre tract located on Louetta Road, west of the drainage channel, into the District. He stated that the owners of the tract are in the preliminary stages of determining the feasibility of constructing a three-phased project for a drug rehabilitation facility, including improvements to an existing building, construction of a new building, and construction of another building along Louetta Road for retail and commercial use. Following discussion, the Board concurred to receive a presentation from the owner of the tract.

CONTRACT FOR CONVEYANCE OF WASTEWATER

Mr. Pagan reported on the status of developing a term sheet for a proposed Wastewater Transmission Agreement with 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 KRWTP. Discussion ensued regarding the proposed terms.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

There were no additional District facility operations action items.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE

The Board conducted a hearing on the termination of water service. Mr. Phelps reported that the customers included on the delinquent 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.

NHCRWA

Director DiCioccio reported that the monthly meeting of the NHCRWA is scheduled for July 11, 2016.

KRWTP MATTERS

Director DiCioccio discussed the operations and maintenance of the KRWTP and the annual tour of the plant held on June 14, 2016.

PUBLIC COMMUNICATIONS

The Board discussed articles for publication in the Champion Forest Women's Club Newsletter and updates to the District's website.

MEETING SCHEDULE AND AGENDA

The Board discussed its meeting schedule and items for inclusion on the meeting agenda and concurred to hold its August 2, 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 JULY 5, 2016, BOARD MEETING]



Secretary, Board of Directors



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