

MINUTES  
CYPRESS FOREST PUBLIC UTILITY DISTRICT

January 3, 2017

The Board of Directors (the "Board") of Cypress Forest Public Utility District, (the "District"), met in regular session, open to the public, on the 3rd day of January, 2017, 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:

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 Alice Kanayan, resident of the District; Barb Smith of the Champion Forest Maintenance Fund 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.; 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.

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 Petrick, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held December 6, 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 for meeting expenses. Following review and discussion, Director Normand moved to authorize execution of the additional check as presented. Director Parker seconded the motion, which was approved by unanimous vote.

#### ANNUAL DISCLOSURE STATEMENTS

The Board considered accepting the annual disclosure statements of the District's bookkeeper and Investment Officer. Mr. Pagan explained that the annual disclosure statements are intended to disclose relationships of the District's bookkeeper and Investment Officer with entities or individuals who are offering, have offered, or may offer to engage in an investment transaction with the District. After review and discussion, Director Petrick moved to accept the annual disclosure statements of the bookkeeper and Investment Officer and direct that the statements be filed with the Texas Ethics Commission and retained in the District's official records. Director Normand seconded the motion, which passed unanimously.

#### ANNUAL REPORT REGARDING POST-ISSUANCE COMPLIANCE POLICY

Mr. Pagan reported on the District's compliance activities during the prior calendar year related to the District's outstanding bond issues. He stated that no corrective action is required at this time.

#### LIST OF LOCAL GOVERNMENT OFFICERS

The Board reviewed a List of Local Government Officers that the District is required to maintain pursuant to Chapter 176 of the Texas Local Government Code. After review and discussion, Director Normand moved to approve and authorize execution of the List of Local Government Officers and direct that the list be filed appropriately and retained in the District's official records. Director Petrick seconded the motion, which passed by unanimous vote.

#### ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection items.

#### HOMEOWNERS ASSOCIATION MATTERS

Director Petrick and Ms. Smith reported on Champion Forest Maintenance Fund and Champion Forest Eleven Homeowners Association matters, including dissolution of the Champion Forest Civic Club, ongoing efforts regarding installing speed radar signs on Cypresswood Drive, and the solicitation of tree trimming proposals for

Cypresswood Drive and Champion Forest Drive due to damage of some of the trees by a truck. Ms. Smith presented the Board with ten tree saplings donated for Cypress Forest Park by Beth Collins, a resident of the District. Following discussion, the Board authorized Director Normand to coordinate with Bella Terra Care, Inc. on planting the saplings.

#### 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 status of irrigation for the 150 trees donated by Trees for Houston. He reported on failed efforts related to restoring electrical power to the irrigation system located on the east side of the park. He stated that cost estimates for replacing the electrical cable for the irrigation system will be solicited for review by the Board during the February 7, 2017, meeting.

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

The Board discussed the proposed development of the Raveneaux Country Club tract.

#### ADDITIONAL ENGINEERING ACTION ITEMS

There were no additional engineering action items.

#### KLEINWOOD REGIONAL WASTEWATER TREATMENT PLANT ("KRWTP"), PROJECT FOR CONVEYANCE OF WASTEWATER, AND FIFTH AMENDMENT TO AGREEMENT FOR KRWTP

Mr. Joubran discussed the proposed design and construction of lift station and force main improvements related to the proposed permanent transport of Champions Municipal Utility District's ("Champions MUD") sewage flow through the District's sanitary sewer trunk lines and force main located along Champion Forest Drive and Cypresswood Drive to the KRWTP. He reported that Champions MUD provided new average daily flow data in the amount of 260,000 gallons per day ("gpd") that was substantially less than the previously provided daily flow of 500,000 gpd. He stated that the new daily flow data substantially impacts the proposed modification project for the District's lift station. He reported on discussions with the District's operator and recommended replacing the District's force main prior to accepting the additional flow from Champions MUD due to the age of the force main and the logistics of replacing the force main after the flow is increased. He reviewed estimated design and construction costs for the proposed design and construction of lift station improvements and replacement of the force main and discussion ensued regarding various cost sharing and connection scenarios. Following review and discussion, the Board authorized Mr. Joubran to meet with representatives of Champions MUD to discuss a proposed alternate option for transporting Champions MUD's sewage flow that

includes bypassing the District's lift station and directly connecting to the District's force main, subject to approval by the Texas Commission on Environmental Quality. The Board concurred that the proposed option includes cost sharing between the districts for replacing the force main based on proportional flow amounts.

The Board reviewed a Fifth Amendment to Agreement Providing for the Ownership, Operation, Maintenance and Expansion of the Kleinwood Regional Wastewater Treatment Facilities and the Creation of the Kleinwood Joint Powers Board (the "Fifth Amendment to Agreement for KRWTP"). Discussion ensued regarding provisions of the proposed Fifth Amendment to Agreement for KRWTP reflecting Champions MUD's acquisition of capacity in the KRWTP per a purchase agreement with Cy-Champ P.U.D. and providing admittance as a member of the KRWTP Joint Powers Board. After review and discussion, Director Petrick moved to approve and authorize execution of the Fifth Amendment to Agreement for KRWTP, subject to attorney review. Director Parker seconded the motion, which passed by unanimous vote.

#### AGREEMENT FOR RECLAIMED WATER SERVICE, RECLAIMED WATER SUPPLY AGREEMENT, AND EFFLUENT REUSE DISTRIBUTION SYSTEM

Director Petrick discussed meetings he attended with the owners of the Champions Golf Course and representatives of Champions MUD 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 with the Board three samples of bills from other municipal utility districts containing a line item for the fees charged by the North Harris County Regional Water Authority (the "NHCRWA"). Following review and discussion, the Board requested that Mr. Phelps provide recommendations regarding a proposed rate to be charged by the District to recover the NHCRWA fees charged to the District.

#### 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.

## NHCRWA MATTERS

Director DiCioccio reported that the next meeting of the NHCRWA is scheduled January 9, 2017.

## 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 February 7, 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 JANUARY 3, 2017, BOARD MEETING]

Secretary, Board of Directors

(SEAL)



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