

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

October 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 October, 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 Kim Shelnett of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Andrew Phelps of Environmental Development Partners, LLC ("EDP"); Laura 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.

PUBLIC COMMENTS

Director DiCioccio opened the meeting to receive public comments. There being no public comments, Director DiCioccio closed the meeting to public comments.

PROPOSED DEVELOPMENT PROJECT FOR THE RAVENEAUX COUNTRY CLUB TRACT

There were no updates regarding Beazer Homes' proposed phased development project for a portion of the Raveneaux Country Club tract.

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 Parker, the

Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meetings held September 5, and September 19, 2017. Copies of the bookkeeper's report, tax assessor/collector's report, engineer's report, and operator's report are attached.

ANNUAL REVIEW OF INVESTMENT POLICY, AUTHORIZED DEPOSITORY INSTITUTIONS, AND QUALIFIED BROKER/DEALERS

The Board concurred to defer these items.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection actions.

2017 TAX RATE

Ms. Flores stated that notice of the District's public hearing regarding adoption of the proposed 2017 tax rate was published. Director DiCioccio opened the public hearing regarding adoption of the District's tax rate and upon receiving no comment from the public, the Board concurred to close the public hearing. Following discussion, Director Normand moved to: (1) adopt an Order Levying Taxes for the 2017 tax year, levying a tax rate of \$0.29 per \$100 assessed valuation, with \$0.04 allocated for debt service and \$0.250 allocated for maintenance and operation expenditures; (2) authorize execution of an Amendment to Information Form; and (3) direct that the order and form be filed appropriately and retained in the District's official records. Director Petrick seconded the motion, which passed by unanimous vote. The Board confirmed its intention that the 2017 tax levy includes a debt service component for the calendar year ending December 31, 2018, and a maintenance tax component for the fiscal year ending September 30, 2018.

HARRIS COUNTY APPRAISAL DISTRICT ("HCAD") BOARD ELECTION

Mr. Pagan explained the procedures for nominating a candidate for the Board of Director Election for HCAD. Following discussion, the Board concurred to take no action.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on his attendance at a meeting of the Champion Forest Maintenance Fund.

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 removal of

fallen trees and debris and replacement and testing of the irrigation system's controllers due to Hurricane Harvey's impact on the park.

Director Normand reported that Trees for Houston is scheduled to deliver 150 donated trees to the District in November, 2017. He recommended that Bella Terra Care, Inc. ("BTC") perform the services needed to plant the donated trees in an amount not to exceed \$8,000.00. Following discussion, Director Petrick moved to authorize BTC to perform the services needed to plant the trees donated by Trees for Houston in Cypress Forest Park in an amount not to exceed \$8,000.00. Director Normand seconded the motion, which was approved by unanimous vote.

RECONVEYANCE OF A 1.4409-ACRE PARCEL

Mr. Joubran reported on the status of coordination with the engineering consultants for the Church of Jesus Christ of Latter-Day Saints (the "Church") on a mutually agreeable solution that allows the District to retain ownership of a 1.4409-acre parcel located along Champion Forest Drive and provides any potential drainage required for the Church's proposed expansion of its parking lot.

ADDITIONAL ENGINEERING ACTION ITEMS

Director Normand requested that Pepe Engineering develop a plan to repair the portion of the trail in Cypress Forest Park that collapsed due the impact of Hurricane Harvey on the drainage structure. Mr. Joubran discussed possibly including the repair in the District's submission to the Federal Emergency Management Agency ("FEMA") for reimbursement of damages resulting from Hurricane Harvey. Following discussion, Mr. Joubran stated that Pepe Engineering will finalize plans for repairing the drainage and trail structures damaged by Hurricane Harvey for the Board's review at the November regular meeting.

WASTEWATER CONVEYANCE PROJECT

The Board discussed Champions Municipal Utility District's ("Champions MUD") proposed project to construct a dedicated force main to convey its wastewater to the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP"). Mr. Joubran reported on coordination with the engineers for Champions MUD on determining a finalized route for the wastewater force main through the District's Raveneaux Country Club lease tract for Board review. He reviewed a drawing of a proposed final route for the wastewater force main, a copy of which is attached to the engineer's report. Following review and discussion, Director Normand moved to authorize Champions MUD access to the site for field surveying of the proposed route and conditional approval of the proposed route, pending review of the survey data. Director Petrick seconded the motion, which was approved by unanimous vote.

RECLAIMED WATER SUPPLY AGREEMENT AND AGREEMENT FOR RECLAIMED WATER SERVICE

The Board discussed matters related to a proposed effluent reuse treatment facility to be constructed in the vicinity of the KRWTP, including a proposed Reclaimed Water Supply Agreement with the Kleinwood Joint Powers Board and the KRWTP participants and a proposed Agreement for Reclaimed Water Service with the Raveneaux Country Club. Director Petrick reported on the status of KRWTP participants' approval of the proposed Reclaimed Water Supply Agreement. He stated that Cy-Champ Public Utility District ("Cy-Champ PUD") has approved a price of \$0.75 per 1,000 gallons for the effluent during the capital recovery period as originally included in the agreement. He discussed the anticipated schedule for the District's payment for its portion of the costs for design and construction of the effluent reuse treatment facility and receipt of reclaimed water from the KRWTP. He recommended moving forward with the design of the District's reclaimed water storage facility.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

The Board discussed attending the Association of Water Board Directors Fall Seminar on October 25, 2017. Following review and discussion, Director Parker moved to authorize Directors' attendance at the seminar. Director Fryfogle seconded the motion, which was approved by unanimous vote.

KRWTP MATTERS

Mr. Phelps reported on claims submitted to the KRWTP's insurance company and an application submitted to FEMA related to the impact of Hurricane Harvey on the KRWTP.

HURRICANE HARVEY RELATED MATTERS AND ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Phelps reported on the status of repairs to the District's damaged facilities at water plant no. 2 caused by Hurricane Harvey. He reported that the District is currently receiving water through interconnections with Cy-Champ PUD and Harris County Water Control Improvement District No. 116. He reported on the repair of a break in the main water line interconnection with Cy-Champ PUD. He recommended that a structural engineer inspect the trestle facility carrying the main water line interconnection with Cy-Champ PUD and Cy-Champ PUD's sanitary sewer force main. Mr. Joubran reported on his review of the District's Agreement for Use of Trestle with Cy-Champ PUD and recommended contacting Cy-Champ PUD's engineer to coordinate inspection of the trestle facility by a structural engineer. Following review and discussion, Director Fryfogle moved to authorize payment for the District's share of the inspection of the trestle facility in an amount not to exceed \$5,000.00. Director

Parker seconded the motion, which was approved by unanimous vote.

Mr. Phelps reviewed preliminary recommendations for installing/converting generators, replacing a control panel, and raising critical components five to six feet at the District's facilities and discussion ensued. Following discussion, Director Parker moved to authorize Pepe Engineering to coordinate with EDP and Shrader Engineering on finalizing the preliminary recommendations for Board review. Director Normand seconded the motion, which was approved by unanimous vote.

The Board discussed removal of Hurricane Harvey debris from the District by Harris County. Following discussion, the Board concurred to withhold execution of a Service Agreement with Storm Maintenance and Monitoring, Inc. for installation of stormwater inlet protection, pending assessment of the need for such services.

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.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Director DiCioccio reported on topics discussed during the monthly meeting of the NHCRWA.

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 November 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 OCTOBER 3, 2017, BOARD MEETING]


Secretary, Board of Directors

(SEAL)



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