

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

December 5, 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 5th day of December, 2017, 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 Greg French of the Raveneaux Country Club; Mark Eyring of Roth & Eyring, PLLC; Kim Shelnett of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Andrew Phelps and Stephanie Bowden of Environmental Development Partners, LLC; Esther Flores and Patrick 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 ("ABHR").

PUBLIC COMMENTS

Director DiCioccio opened the meeting to receive public comments. Mr. French addressed the Board to request that the Board hire a professional consultant to provide information to the architect for the proposed Raveneaux Country Club tract development project to assist with ensuring that the project is in compliance with the District's Raveneaux Redevelopment Agreement. There being no additional public comments, Director DiCioccio closed the meeting to public comments.

PROPOSED DEVELOPMENT PROJECT FOR THE RAVENEAUX COUNTRY CLUB TRACT

The Board discussed updates regarding Beazer Homes' proposed phased development project for a portion of the Raveneaux Country Club tract. Mr. French stated that Beazer Homes is no longer involved in the development of the tract. He said that detailed construction plans for a proposed new development project for the tract have not been prepared. Following discussion, Director DiCioccio moved to authorize Mr. Pagan to coordinate with Directors DiCioccio and Fryfogle on securing proposals

for a professional consultant to provide services related to reviewing the plans and specifications for the proposed new development project to determine whether the project is in compliance with the District's Raveneaux Redevelopment Agreement. Director Petrick seconded the motion, which was approved by unanimous vote.

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 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, including the minutes of the meeting held November 7, 2017. 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, 2017

Mr. Eyring presented and reviewed a draft audit for fiscal year ended September 30, 2017. After review and discussion, Director Normand 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 Petrick 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 Parker moved to approve payment of two per diems for the winter conference. Director Normand seconded the motion, which was approved by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt reviewed and presented one additional check for payment of an invoice for the District's audit fees. Following review and discussion, Director Parker moved to authorize execution of the additional check. Director Petrick seconded the motion, which was approved by unanimous vote.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection items.

HOMEOWNERS ASSOCIATION MATTERS

The Board concurred to defer this item.

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. He reported that approximately 160 trees donated by Trees for Houston have been planted and the irrigation system is operational. He reported on damage to Magnolia trees caused by deer.

RECONVEYANCE OF A 1.4409-ACRE PARCEL

Mr. Joubran reported there was no update regarding Pepe Engineering's coordination with the engineering consultants for the Church of Jesus Christ of Latter-Day Saints (the "Church") on a mutually agreeable solution related to the ownership of a 1.4409-acre parcel located along Champion Forest Drive and potential drainage required for the Church's proposed expansion of its parking lot. Discussion ensued regarding the anticipated schedule for delivery of reclaimed water to the District from the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP") pursuant to the District's Reclaimed Water Supply Agreement with the Kleinwood Joint Powers Board and the KRWTP participants (the "Reclaimed Water Supply Agreement"). Following discussion, the Board authorized Director Petrick to discuss the matter with a representative of the Church and report back.

ADDITIONAL ENGINEERING ACTION ITEMS

Mr. Joubran reported on the status of the project to repair the drainage system in Cypress Forest Park damaged by the 2016 Tax Day Flood and Hurricane Harvey. He discussed his coordination with representatives of the Federal Emergency Management Agency ("FEMA") on the District's application for reimbursement of costs for damages resulting from both events. He stated that bids for the project are anticipated for Board review at the January 2, 2018, meeting. He requested the Board's approval of an invoice

for preparation of the plans and specifications and advertising fees for the project in the amount of \$3,966.00. 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 presented and reviewed a proposal for preparation of a Preliminary Engineering Report to analyze and provide design recommendations and cost estimates for the District's proposed reclaimed water storage and distribution facilities. He responded to Board members' questions regarding the scope of the proposed report, additional costs for topographic survey, and proposed consultants for geotechnical and environmental services. He stated the draft report is anticipated to be completed in 12 weeks. Mr. Joubran stated that the engineer for the KRWTP needs information related to the District's take point location and storage facilities to finalize the design of the KRWTP's effluent reuse treatment facilities. Following discussion, the Board concurred that the report should identify all of the potential users of the District's future reclaimed water supply pursuant to the Reclaimed Water Supply Agreement. Director Fryfogle moved to approve Pepe Engineering's proposal for preparation of the Preliminary Engineering Report in the amount of \$81,024.50. Director Petrick seconded the motion, which was approved by majority vote, with Director Normand abstaining from the vote because he wanted more clarity regarding the scope.

Discussion ensued regarding items discussed and approved during the December 5, 2017, meeting of the North Harris County Regional Water Authority (the "NHCRWA"), including increased surface and ground water fees of \$3.85 and \$3.40, respectively, effective April 1, 2108, and projected annual fee increases.

WASTEWATER CONVEYANCE PROJECT

Mr. Joubran reported there was no update on Champions Municipal Utility District's ("Champions MUD") proposed project to construct a dedicated force main to convey its wastewater to the KRWTP. Director DiCioccio requested that Mr. Joubran request a schedule for construction of the proposed project from Champions MUD.

RECLAIMED WATER SUPPLY PROJECT AND KRWTP MATTERS

The Board discussed matters related to the proposed effluent reuse treatment facility to be constructed in the vicinity of the KRWTP. Director Petrick reported on discussions with potential users of the District's future reclaimed water supply pursuant to the Reclaimed Water Supply Agreement.

HURRICANE HARVEY RELATED MATTERS AND ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Director Petrick reported on the status of repairs to the District's Administrative Building due to the impact of Hurricane Harvey, including coordination with Barb

Smith of the Champion Forest Maintenance Fund on replacing the furniture in the District's Administrative Building.

Mr. Phelps reported on the status of repairs and discussed recommended improvements and mitigation actions for the District's facilities damaged by Hurricane Harvey, including the status of obtaining quotes from suppliers of diesel and natural gas generators for the Board's review. He discussed the status of the District's application to FEMA for reimbursement of the costs for damages resulting from Hurricane Harvey and the recommended improvements and mitigation actions for the District's facilities.

Mr. Phelps reported on production testing results for well no. 2. He stated that the well was previously submerged under flood water resulting from Hurricane Harvey. He recommended running the well for a period of time and re-testing it prior to making a determination on whether to remove the well pump and televise the well screens and the Board concurred.

Mr. Phelps reported he is reviewing the invoices the District received from Cy-Champ P.U.D., Harris County W.C.I.D. No. 116, and Louetta North P.U.D. for the water supplied to the District through emergency interconnections pursuant to the District's respective agreements with the supplying entities. He stated that he will provide recommendations regarding payment of the invoices or resupply of water at the next regularly scheduled Board meeting.

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 Fryfogle 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 and summarized in the engineer's report.

PUBLIC COMMUNICATIONS

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

MEETING SCHEDULE AND AGENDA

The Board discussed items for inclusion on the agenda for its January 2, 2018, 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 5, 2017, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



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