

MINUTES  
CYPRESS FOREST PUBLIC UTILITY DISTRICT

February 7, 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 7th day of February, 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, Don Clary, Don Jaspers, Shawn Ali, Arsalan Ali, Saquib Ali, and Showkat Ali, residents of the District; Barb Smith of the Champion Forest Maintenance Fund and resident of the District; Kim Shelnuitt 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. ("CHL"); Jeff Anderson and Gregory R. Coleman of Beazer Homes; David Key and Greg French of the Raveneaux Country Club; Benton Schmaltz of BGE, 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

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 January 3, 2017. Copies of the bookkeeper's report, tax assessor/collector's report, and operator's report are attached.

## ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") CONFERENCES

Directors DiCioccio and Fryfogle reported on the AWBD winter conference. Following discussion, Director Petrick moved to approve reimbursement of eligible expenses and authorize Directors' attendance at the AWBD summer conference. Director Normand seconded the motion, which was approved by unanimous vote.

## ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered establishing the District's tax exemptions for the 2017 tax year and reviewed a proposed Resolution Concerning Exemptions from Taxation. Following review and discussion, Director Parker moved to adopt a Resolution Concerning Exemptions from Taxation, which provides for the exemption from ad valorem taxation the amount of \$100,000 of the appraised value of residence homesteads of individuals who are disabled or are sixty-five years of age or older, and rejects the general residential homestead and travel trailer exemptions. Director Fryfogle seconded the motion, which was approved by unanimous vote.

## HOMEOWNERS ASSOCIATION MATTERS

Directors DiCioccio and Petrick reported on Champion Forest Maintenance Fund and Champion Forest Eleven Homeowners Association matters.

## 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 reviewed cost estimates for restoring electrical power to the irrigation system located on the east side of the park from Bella Terra Care, Inc. in the amount of \$7,194.00 and CHL in the amount of \$9,820.00. Following review and discussion, Director Parker moved to approve the cost estimate from Bella Terra Care, Inc. in the amount of \$7,194.00. Director Normand seconded the motion, which was approved by unanimous vote.

## ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnett presented and reviewed two additional checks for payment of invoices for reimbursement of Director conference expenses and meeting expenses. Following review and discussion, Director Normand 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 or collection items.

#### ADDITIONAL ENGINEERING ACTION ITEMS AND PROJECT FOR CONVEYANCE OF WASTEWATER

Mr. Joubran reported on an inquiry received regarding the proposed annexation of a 5.5-acre tract for a retail and restaurant building facing Louetta Drive, two medical office buildings set back within the tract, and a future indoor shooting range in the back of the property. He stated the inquiry included a request for water and sewer services and a determination of whether a reimbursement agreement with the District would be feasible. Following review of a site plan for the proposed development project, the Board requested additional information.

Mr. Joubran updated the Board on meetings held with consultants for the District and Champions Municipal Utility District ("Champions MUD") regarding matters related to the proposed conveyance of wastewater from Champions MUD to the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP"). He reported that the Champions MUD Board was receptive to the idea of replacing the existing force main, as well as the possibility of by-passing the lift station and merging the wastewater flows from both districts directly into the single force main at Champion Forest Drive and Cypress Creek. He reported that as part of the City of Houston's (the "City") review of the design plans for Champions MUD's force main, the City requested a Preliminary Engineering Report ("PER") that includes Champions MUD's and the District's corresponding improvements. He stated that Pepe is providing Champions MUD with all of the necessary information and will wait for the City's approval of Champions MUD's PER prior to initiating the design of lift station improvements and/or force main replacement. Discussion ensued regarding the options related to the conveyance of the wastewater.

Mr. Joubran reviewed a breakdown of proposed engineering fees for preparing construction plans for the installation of new sanitary collection lines to serve two commercial tracts located at Champion Drive and the south side of Louetta Road. He stated that the plans will incorporate the repairs and relining necessary to address other areas throughout Champion Forest Sections One and Two and certain segments of the trunk lines.

Following review and discussion, Director Parker moved to approve the engineer's report and authorize engineering fees totaling \$17,365.50 for preparing construction plans for the installation of new sanitary collection lines to serve two commercial tracts located at Champion Drive and the south side of Louetta Road.

Director Petrick seconded the motion, which was approved by unanimous vote. A copy of the engineer's report is attached.

### KRWTP MATTERS

Director Petrick reported on the operations and maintenance of the KRWTP.

### 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. He reviewed the proposed goals of the reclaimed water system project, including a potential effluent reuse agreement term sheet for usage, fees, credits, and costs.

### ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Phelps reviewed proposed revised District water rates that include a separate fee encompassing the fees charged by the North Harris County Regional Water Authority (the "NHCRWA") to the District. He recommended that the proposed revised rates become effective on April 1, 2017. Discussion ensued regarding communicating the proposed revised rates to the District's residents.

Mr. Phelps reported that EDP is entering into a Treasury Management Services Agreement with BBVA/Compass and requested and recommended that the Board adopt a Resolution Approving Treasury Management Services and Authorizing Operator (the "Resolution"). After review and discussion, Director Parker moved to adopt the Resolution and direct that the Resolution be filed appropriately and retained in the District's official records. Director Petrick seconded the motion, which passed by unanimous vote.

### CONDUCT HEARING ON TERMINATION OF WATER SERVICE

The Board concurred to defer this item.

### NHCRWA MATTERS

The Board concurred to defer this item.

### 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 March 7, 2017, meeting at 5:00 p.m. at the District's Administrative Building.

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

Mr. Anderson gave a presentation regarding Beazer Homes' proposed phased development project for a 6.8-acre portion of the 27-acre Raveneaux Country Club tract, beginning with two mid-rise condominium buildings on 2.2 acres of the tract, and responded to Board members' questions. He requested that the Board consider proposed amendments to the Raveneaux Redevelopment Agreement between the District and JP Raveneaux Partners LP and Kera Development, LP. Mr. Schmaltz discussed a drainage study performed for the proposed development project and responded to Board members' questions. Following review and discussion, the Board requested that Mr. Anderson provide Mr. Pagan with additional information for the Board's review and a written request of the amendments to the Raveneaux Agreement.

There being no other matters to come before the Board, the meeting was adjourned.

[SIGNATURE PAGE FOR THE MINUTES OF THE FEBRUARY 7, 2017, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



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