

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

May 2, 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 2nd day of May, 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 residents of the District as listed on the attached attendance sheets, including Barb Smith of the Champion Forest Maintenance Fund; Greg French of the Raveneaux Country Club; Kim Shelnutt of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe"); Andrew Phelps and Stephanie Bowden of Environmental Development Partners, LLC ("EDP"); 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. Various residents made comments regarding Beazer Homes' proposed development project for a 6.8-acre portion of the 27-acre Raveneaux Country Club tract and the District's Raveneaux Redevelopment Agreement with JP Raveneaux Partners LP and Kera Development, L.P. ("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, INCLUDING ACTIONS RELATED TO THE LEASE AGREEMENT

The Board discussed Beazer Homes' proposed phased development project for a portion of the Raveneaux Country Club tract. Director DiCioccio stated that the District has not received any documents or updates on the proposed development project.

Director Petrick reported that, as previously approved, a meeting is scheduled on May 3, 2017, with Michael Bloch to negotiate the District's offer to purchase the 6.8-acre portion of the 27-acre Raveneaux Country Club tract using up to \$1,500,000 of the District's General Operating Fund, subject to: (1) approval by the District's financial advisor and attorney; (2) withdrawal if the funds from the District's General Operating Fund are needed for a District emergency; and (3) verification of the value of the property by an appraisal report. Director Petrick reported on meetings he and Director Normand attended with representatives of the Harris County Precinct 4 Parks Department and Harris County Commissioner R. Jack Cagle.

Director Normand stated that an assessment of the portion of the District's park property leased to the Raveneaux Country Club is needed to determine whether the tenant is in compliance with maintenance requirements per the District's Raveneaux Redevelopment Agreement. Following discussion, Director Normand moved to instruct Pepe to inspect the lease tract area bounded by Cypress Forest Park and the Mormon Temple property to the north, Cypress Creek to the south, the drainage ditch to the west, and Champion Forest Drive to the east, and provide a report regarding areas that are not compliant with the maintenance requirements included in the District's Raveneaux Redevelopment Agreement, including recommendations for actions required to bring the tenant into compliance with the maintenance requirements, in an amount not to exceed \$5,000.00. Additional discussion ensued regarding the status of the District's application to the Federal Emergency Management Agency for reimbursement of the cost of repairs required to the lease property due to the 2016 recent high water events. Following discussion, 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

Upon a motion made by Director Petrick and seconded by Director Fryfogle, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held April 4, 2017. Copies of the bookkeeper's report, tax assessor/collector's report, engineer's report, and operator's report are attached.

TRAVEL REIMBURSEMENT GUIDELINES

The Board discussed the District's guidelines for reimbursement of eligible expenses for the Association of Water Board Directors ("AWBD") conferences. Following review and discussion, Director Petrick moved to approve payment of three

per diems for the AWBD summer conference. Director Parker seconded the motion, which was approved by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

There were no additional financial or bookkeeping items.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection items.

HOMEOWNERS ASSOCIATION MATTERS

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

Ms. Smith addressed the Board regarding Champion Forest Maintenance Fund matters, including a new holiday decoration project and tree maintenance.

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 reviewed a proposed revision to the park's mowing program to add up to 40 mowing services around the trees located on either side of the walkway for an additional annual amount of \$7,693.50. Mr. Griffith explained the additional mowing services included in the proposed revised Annual Maintenance Budgets for Cypress Forest Park. Following review and discussion, Director Normand moved to accept the revised Annual Maintenance Budgets, copies of which are attached. Director Petrick seconded the motion, which was approved by unanimous vote.

ADDITIONAL ENGINEERING ACTION ITEMS AND WASTEWATER CONVEYANCE

Mr. Joubran updated the Board on the proposed project for conveyance of wastewater from Champions Municipal Utility District ("Champions MUD") to the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP"). He reported on a meeting held with the engineers of Champions MUD to coordinate on the preparation of the Preliminary Engineering Report previously authorized by the Board. He stated that he was informed that Champions MUD is considering an alternate route that would bypass the District's lift station and force main and require easements from the District. Mr. Joubran read e-mail correspondence from Champions MUD that states that the project is on hold pending exploration of route options. He stated that he asked Champions MUD to put its easement request in writing for presentation to the Board. Discussion ensued regarding the proposed route and alternate routes. Following

discussion, the Board requested that Mr. Joubran notify Champions MUD of an alternate route as discussed.

In response to Board members' questions regarding the anticipated schedule for the District's future sanitary sewer collection line installation and repairs in Champion Forest Sections One and Two, Mr. Joubran reported on efforts to avoid additional easement acquisition for the project.

Discussion ensued regarding ongoing development at 8921 Louetta Road.

RECLAIMED WATER SUPPLY AGREEMENT AND AGREEMENT FOR RECLAIMED WATER SERVICE

The Board discussed matters related to a proposed effluent reuse treatment facility to be located in the vicinity of the KRWTP, including a proposed Reclaimed Water Supply Agreement with the Kleinwood Joint Powers Board (the "Joint Powers Board") and an Agreement for Reclaimed Water Service with the Raveneaux Country Club. Mr. Pagan reported on his review of a draft agreement with the Joint Powers Board. Director Petrick discussed anticipated effluent water rates, potential end users of the effluent, and application of the North Harris County Regional Water Authority's (the "NHCRWA") credit program.

KRWTP MATTERS

Director Petrick reported on the operations and maintenance of the KRWTP, including capacity matters.

CONSUMER CONFIDENCE REPORT

Mr. Phelps presented and reviewed with the Board a draft Consumer Confidence Report, a copy of which is included in the operator's report. Following review and discussion, Director Normand moved to authorize mailing of the finalized Consumer Confidence Report and filing of the certificate of mailing with the Texas Commission on Environmental Quality. Director Petrick seconded the motion, which was approved by unanimous vote.

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.

REPAIR AND MAINTENANCE ITEMS

Mr. Phelps reported on efforts to address issues with the sanitary sewer line that serves 15910 Arkdale Court and several other residences. Following discussion, the Board authorized EDP and Pepe to coordinate on addressing the issues.

AMENDMENT TO AGREEMENT FOR OPERATING SERVICES

Mr. Phelps discussed a proposed First Amendment to Agreement for Operating Services to update Exhibit "A" to the agreement to reflect a new schedule of rates and fees. Following review and discussion, Director Parker moved to authorize execution of the amendment. Director Petrick seconded the motion, which was approved by unanimous vote.

EMERGENCY PREPAREDNESS

The Board concurred to defer this item.

ANNUAL FILING OF CRITICAL LOAD SPREADSHEET

Mr. Pagan discussed annual filing requirements for the District's Critical Load Spreadsheet, which lists the facilities operated by the District that receive electricity and is provided to various entities, including CenterPoint Energy and Harris County, for emergency purposes. He stated that the Critical Load Spreadsheet was submitted to the District's consultants for review and updates. After review and discussion, Director Normand moved to authorize annual filing of the Critical Load Spreadsheet with the appropriate entities. Director Petrick seconded the motion, which carried by unanimous vote.

NHCRWA

There was no additional discussion regarding NHCRWA matters included 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 its meeting schedule and items for inclusion on the next meeting agenda and concurred to hold its June 6, 2017, meeting at 5:00 p.m. at the District's Administrative Building.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 7:00 p.m. The Board discussed proposed committee negotiations with Mr. Bloch regarding the District's proposed purchase of a 6.8-acre portion of the 27-acre Raveneaux Country Club tract.

CONVENE IN EXECUTIVE SESSION

The Board reconvened in open session at 7:26 p.m. Following discussion the Board concurred to authorize an appraisal of the 6.8-acre portion of the 27-acre Raveneaux Country Club tract in an amount not to exceed \$5,000.00.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE MAY 2, 2017, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

| | Minutes <u>Page</u> |
|---------------------------------------|------------------------|
| Attendance Sheets | 1 |
| Bookkeeper's report..... | 2 |
| Tax Assessor/Collector's report | 2 |
| Engineer's Report..... | 2 |
| Operator's report..... | 2 |
| Annual Maintenance Budgets | 3 |