

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

July 11, 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 11th day of July, 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 and other attendees as listed on the attached attendance sheets; Greg French of the Raveneaux Country Club; Barb Smith of the Champion Forest Maintenance Fund and resident of the District; Kim Shelnutt of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); 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. Mr. Vanis addressed the Board to request an update 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 IMPLEMENTATION OF THE DEVELOPMENT AGREEMENT AND MAINTENANCE OF LEASE TRACT

The Board discussed Beazer Homes' proposed phased development project for a

portion of the Raveneaux Country Club tract.

The Board discussed e-mail correspondence from David Key of the Raveneaux Country Club to Director Petrick requesting written procedures for verifying compliance of the building plans for the proposed development project with the terms of the Raveneaux Redevelopment Agreement. Following discussion regarding whether to solicit proposals for a consultant to review the plans for the proposed development project, the Board concurred that Director Petrick's response to Mr. Key would be that the Board anticipates hiring a professional consultant to review the plans and specifications to determine whether the project is in compliance with the Raveneaux Redevelopment Agreement.

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 Normand and seconded by Director Parker, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held June 6, 2017. Copies of the bookkeeper's report, tax assessor/collector's report, engineer's report, and operator's report are attached.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection actions.

INTERLOCAL AGREEMENT FOR WATER WISE PROGRAM

The Board reviewed an Interlocal Agreement with the Harris-Galveston Subsidence District for sponsorship of students' participation in the Water Wise Program at Brill Elementary School. Ms. Cherne explained that there will be no fees charged to the District if Brill Elementary School does not participate in the program. Following review and discussion, Director Petrick moved to authorize execution of the agreement and direct that the agreement be filed appropriately and maintained in the District's official records. Director Parker seconded the motion, which was approved by unanimous vote.

HOMEOWNERS ASSOCIATION MATTERS

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

Ms. Smith addressed the Board to report on tree and esplanade maintenance 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 irrigation system maintenance, repair, and watering schedules and the future removal of a tree struck by lightning. He reported that flags placed in the park were part of a topographic survey by a party unaffiliated with the District and do not indicate trees for removal. In response to a meeting attendee's inquiry, Director Normand reported that the park did not experience any issues related to the 4th of July celebration sponsored by the Raveneaux Country Club and congratulated the club on the outcome of the event.

RECONVEYANCE OF A 1.4409-ACRE PARCEL

The Board discussed correspondence from an attorney for the Church of Jesus Christ of Latter-Day Saints requesting that the District reconvey a 1.4409-acre parcel located along Champion Forest Drive to the church pursuant to the terms of the original conveyance from the church to the Raveneaux Country Club. Mr. Joubran recommended that the Board delay granting an easement to Champions Municipal Utility District ("Champions MUD") for its proposed project for conveyance of wastewater from Champions MUD to the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP") pending the outcome of the reconveyance matter. The Board concurred to discuss this matter in executive session.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") CONFERENCES

The Board discussed topics presented in sessions attended during the AWBD summer conference and reviewed Directors' conference expenses. Following review and discussion, Director Normand moved to approve reimbursement of eligible expenses for the AWBD summer conference and to authorize Directors' attendance at the winter 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 ENGINEERING ACTION ITEMS

There were no additional engineering action items.

Mr. Joubran responded to Board members' questions regarding the amount spent to date for the District's application to the Federal Emergency Management

Agency for reimbursement of 75% of the cost of repairs of damage to the lease property caused by the 2016 high water events.

WASTEWATER CONVEYANCE

Mr. Joubran updated the Board on the proposed project for conveyance of wastewater from Champions MUD to the KRWTP. He reported on Pepe Engineering's meeting with the engineer for Champions MUD and reviewed the cost estimates and layouts for all of the route alternatives for Champions MUD's proposed dedicated force main considered to date for the project. He stated that the current proposed route would bypass the District's lift station and force main and require easements from the District and the Raveneaux Country Club. Discussion ensued regarding the impact of the easements on the District's proposed effluent distribution line and regulatory matters. Director Petrick reported that the KRWTP is considering a revised route for the effluent distribution lines from the plant that is located farther west. Following discussion, Mr. Joubran recommended that the Board resolve the reconveyance matter for the 1.4409-acre parcel located along Champion Forest Drive prior to any further discussion or action related to Champions MUD's proposed route options for its dedicated force main.

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 a meeting held with representatives of the Joint Powers Board, the Champions Golf Club, and Champions MUD to discuss the latest draft of the Reclaimed Water Supply Agreement. He stated that a finalized agreement is anticipated to be ready for consideration at the August or September, 2017 Board meeting.

Director Petrick reviewed the estimated schedule, construction costs, effluent water rates, and credits to be received from the North Harris County Regional Water Authority (the "NHCRWA") for the proposed reclaimed water project. He estimated that effluent would be received from the project by October 31, 2019. In response to a meeting attendee's inquiry, Mr. Pagan summarized the terms of the District's proposed participation in a proposed reclaimed water project to include payback of a portion of the capital cost to construct a proposed reclaimed water system on KRWTP's site that will provide the District with effluent for irrigation of Cypress Forest Park and sale to others at a significantly lower cost than the current water rate.

KRWTP MATTERS

Director Petrick reported on the operations and maintenance of the KRWTP. Mr. Phelps reported on the repair of a transfer switch and evaluation of damage to the plant's controls caused by lightning.

In response to Director Petrick's inquiry, Mr. Griffith stated that Heatherloch Municipal Utility District's planned purchase of available excess capacity in the KRWTP from other participants in the plant is currently on hold pending negotiations with another municipal utility district.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

There were no additional District facility operations action items.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE

Mr. Phelps recommended reclassifying 11 accounts totaling \$2,169.56 as uncollectible and removing them from the District's delinquent list. Following review and discussion, Director Parker moved to authorize write-off of the accounts as recommended. Director Petrick seconded the motion, which was approved by unanimous vote.

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 Petrick and passed by unanimous vote.

NHCRWA

Director DiCioccio reported on the monthly meeting of the NHCRWA, including a Geographical Information System project.

PUBLIC COMMUNICATIONS

Director Petrick thanked Andrew Phelps of EDP for providing an article regarding hurricane preparedness for the most recent newsletter. The Board discussed articles for publication in the Champion Forest Women's Club Newsletter.

REPORT ON LEGISLATIVE MATTERS

Mr. Pagan reported on matters related to the 85th Regular Session of the Texas Legislature.

MEETING SCHEDULE AND AGENDA

The Board discussed its meeting schedule and items for inclusion on the next meeting agenda and concurred to hold its August 1, 2017, meeting at 5:00 p.m. at the District's Administrative Building.

CONVENE IN EXECUTIVE SESSION

The Board convened in executive session at 6:02 p.m. The Board discussed correspondence from an attorney for the Church of Jesus Christ of Latter-Day Saints requesting that the District reconvey a 1.4409-acre parcel located along Champion Forest Drive to the church pursuant to the terms of the original conveyance from the church to the Raveneaux Country Club.

CONVENE IN EXECUTIVE SESSION


The Board reconvened in open session at 6:21 p.m. Following discussion, the Board concurred to authorize Director Petrick to discuss the reconveyance request with a representative of the Church of Jesus Christ of Latter-Day Saints and report back.

WASTEWATER CONVEYANCE (CONTINUED)

The Board requested that Mr. Joubran inform Champions MUD that the District's consideration of an easement for a proposed project for conveyance of wastewater from Champions MUD to the KRWTP is on holding pending resolution of the reconveyance matter for the 1.4409-acre parcel located along Champion Forest Drive.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE JULY 11, 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