

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

August 1, 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 1st day of August, 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, except Director Parker, thus constituting a quorum.

Also present for all or part of the meeting were Christa Allan, Ken Allan, Charity Burr, Susan McFarlane, Christine Norman, Kyle Pinkerton, Joyce Preston, Bob Valentine, and Vernon Vanis, residents of the District; Barb Smith of the Champion Forest Maintenance Fund ("CF HOA") and resident of the District; 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"); Stephanie Bowden of Environmental Development Partners, LLC; 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 matters related to the District's Raveneaux Redevelopment Agreement with JP Raveneaux Partners LP and Kera Development, L.P. ("Raveneaux Redevelopment Agreement"). A copy of Mr. Vanis' Public Comment Card is attached.

Director Petrick reported that a Town Hall Meeting regarding community and economic development in the Cypress Creek Community is scheduled for September 7, 2017, at the Houston Northwest Chamber of Commerce. A copy of the informational flier for the event is attached.

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.

Mr. Pagan discussed e-mail correspondence that he received from David Key of the Raveneaux Country Club regarding the District's conceptual conditional purchase of the 6.8-acre tract proposed to be developed by Beazer Homes from Michael Bloch. Following discussion, the Board authorized Mr. Pagan to draft a response to Mr. Key to determine whether Mr. Bloch is interested in exploring such a transaction that could then lead to a formal, written offer, subject to review by Directors Petrick and Normand. The Board directed that the response include a request for a response from Mr. Bloch within the next 30 days because the District's budget will be finalized at its September 5, 2017, meeting.

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 Fryfogle, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held July 11, 2017. Copies of the bookkeeper's report, tax assessor/collector's report, engineer's report, and operator's report are attached.

ENGAGE AUDITOR TO CONDUCT AUDIT

Mr. Eyring presented and reviewed an engagement letter for annual auditing services in the amount of \$10,950.00 for each of the District's fiscal years ending September 30, 2017, and 2018. Following review and discussion, Director Petrick moved to authorize execution of the engagement letter. Director Normand seconded the motion, which was approved by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnutt presented two additional checks for reimbursement for Administrative Building supplies and payment of an invoice from Bella Terra Care, Inc. for services performed in July, 2017. Following review and discussion, Director Normand moved to approve execution of the two additional checks as presented. Director Fryfogle seconded the motion, which was approved by unanimous vote.

BUDGET FOR FISCAL YEAR END SEPTEMBER 30, 2018

Ms. Shelnutt reviewed a draft budget for fiscal year end September 30, 2018. Discussion ensued regarding budget line items. Following discussion, Ms. Shelnutt stated she will update the draft budget and present a revised budget at the next Board meeting.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection actions.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on his attendance at a meeting of the CF HOA.

Ms. Smith addressed the Board to report on complaints she received from some of the District's residents regarding WCA Waste Corporation of Texas' ("WCA") mishandling of recycling containers. Director DiCioccio reported that he discussed the complaints with Tommy Walker of WCA and Mr. Walker stated that he will address the matter.

Ms. Smith reported on calls she received regarding the District's conceptual conditional purchase of the 6.8-acre tract proposed to be developed by Beazer Homes.

Director DiCioccio reported that Ms. Preston contacted him regarding Harris County's lack of response to her report of a sinkhole on Chalton Court near Manningtree Lane in Champion Forest Section 9. Following discussion, the Board directed Mr. Joubran to determine whether the sinkhole is located near a sanitary sewer manhole or a storm drain and report back.

Ms. Smith requested the District's participation in the CF HOA's National Night Out Event scheduled October 3, 2017. Following discussion, Director Petrick moved to authorize payment for the District's participation in the CF HOA's National Night Out Event in the amount of \$1,000.00. Director Fryfogle seconded the motion, which was approved by unanimous vote.

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 solicitation of cost estimates for possible realignment of the walking trail located in the western area of the park. He reported that expenses for the park facilities are within budget.

RECONVEYANCE OF A 1.4409-ACRE PARCEL

The Board discussed previously received correspondence from the Church of Jesus Christ of Latter-Day Saints (the "Church") 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. Director Petrick reported on his participation in a telephone conference with a representative of the Church, Mr. Pagan, and Mr. Joubran. He stated that the participants of the telephone conference agreed to direct the engineering consultants for the Church and the District to coordinate on a mutually agreeable solution that allows the District to retain ownership of the tract and provides any potential drainage required for the Church's proposed expansion of its parking lot and report back. Mr. Pinkerton addressed the Board to request clarification on the matter. Mr. Joubran reported on his discussions with a representative of the Church.

ADDITIONAL ENGINEERING ACTION ITEMS

Mr. Joubran recommended approval of revised construction plans for a four-story office building under construction at 8917 (previously 8921) Louetta Road. Following discussion, Director Petrick moved to authorize Pepe Engineering to provide approval of the revised construction plans for 8917 Louetta Road as recommended. Director Normand seconded the motion, which was approved by unanimous vote.

WASTEWATER CONVEYANCE

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 that he informed the engineering consultant for Champions MUD that the Board is deferring consideration of granting an easement on the District's Raveneaux Country Club lease tract for the proposed project, pending resolution of the reconveyance matter for the 1.4409-acre parcel located along Champion Forest Drive. Discussion ensued regarding the impact of the easement on the District's proposed effluent distribution line and regulatory matters. Mr. Joubran recommended conceptual approval of Champions MUD's most recently proposed route for its dedicated force main. Following discussion, Director Normand moved to authorize: i) conceptual approval of Champions MUD's most recently proposed route for its project

to construct a dedicated force main to convey its wastewater to the KRWTP; and ii) coordination between Pepe Engineering and the engineering consultant for Champions MUD on the technicalities of the proposed route and the District's proposed effluent distribution line. Director Petrick seconded the motion, which was approved by unanimous vote. The Board concurred that approval of the proposed route and the corresponding required easement was contingent upon the Board's review and approval of the technicalities of the final route, receipt of an acknowledgment of the easement from the tenant of the lease tract, and other considerations.

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 and an Agreement for Reclaimed Water Service with the Raveneaux Country Club. Mr. Pagan reported that the most recent draft of the Reclaimed Water Supply Agreement contained a price for the effluent during the capital recovery period of \$0.75 per 1,000 gallons. He stated that a finalized agreement is anticipated to be ready for consideration at the September, 2017 Board meeting.

KRWTP MATTERS

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

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Ms. Bowden reviewed the operator's report and stated that additional inspections of the District's storm sewer outfalls will be made over the next month. She responded to Board members' inquiries regarding fire line connections and the District's groundwater production amounts.

CONDUCT HEARING ON TERMINATION OF WATER SERVICE

The Board conducted a hearing on the termination of water service. Ms. Bowden 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 Petrick and passed by unanimous vote.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")
MATTERS

Director DiCioccio reported that the NHCRWA is scheduled to meet on August 7, 2017.

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

CONVENE IN EXECUTIVE SESSION

The Board did not convene in executive session

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

[SIGNATURE PAGE FOR THE MINUTES OF THE AUGUST 1, 2017, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



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