

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

November 6, 2018

The Board of Directors (the "Board") of Cypress Forest Public Utility District, (the "District"), met in regular session, open to the public, on the 6th day of November, 2018, 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
James B. Fryfogle	Assistant Vice President
Vernon Vanis	Assistant Secretary

and all of the above were present, thus constituting a quorum.

Also present for all or part of the meeting were Alice Kanayan, Martin Ndukwe and Becky Ndukwe, residents of the District; Barb Smith of the Champion Forest Maintenance Fund, Inc. (the "CF HOA") and resident of the District; Bobby Lieb of the Houston Northwest Chamber of Commerce; Andrew Phelps of Environmental Development Partners, LLC ("EDP"); Kim Shelnett of Myrtle Cruz, Inc.; Salim Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Esther Flores of Tax Tech, Inc.; Les Griffith and Josh Fort of Champions Hydro-Lawn, Inc. ("CHL"); 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.

Ms. Smith addressed the Board to express appreciation for the District's participation in the CF HOA's National Night Out event. She discussed email correspondence received from residents regarding nuisance use of the District's easement behind New Forest Road.

Mr. Lieb addressed the Board to provide an update and distribute informational brochures regarding Houston Northwest Cypress Creek's Grow Northwest economic development initiative. Copies of the informational brochures are attached.

There being no additional public comments, Director DiCioccio closed the meeting to public comments.

PROPOSED RAVENEAUX TRACT DEVELOPMENT AND LEASE TRACT MAINTENANCE

Director Petrick reported on the status of a proposed development project for the Raveneaux Country Club tract.

CONSENT AGENDA:

APPROVE MINUTES

FINANCIAL AND BOOKKEEPING, INCLUDING PAYMENT OF BILLS

TAX ASSESSMENT AND COLLECTION, INCLUDING PAYMENT OF BILLS

OPERATION OF DISTRICT FACILITIES

Upon a motion made by Director Vanis 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 October 2, 2018. Copies of the bookkeeper's report, tax assessor/collector's report, and operator's report are attached.

ENGINEER'S REPORT

Mr. Joubran presented the engineer's report, a copy of which is attached. He stated that a cash flow analysis has been added to the District's Capital Improvement Plan as requested.

Mr. Joubran reported on the status of Hatch Associates Consultants, Inc.'s design of the generator replacement and electrical system upgrades project at water plant no. 2, in coordination with Pepe Engineering and EDP.

Mr. Joubran reported on the status of Horseshoe Construction, Inc.'s televising performed in preparation for the District's repair project for the sanitary sewer collection lines in Champion Forest Sections One and Two and trunk lines along Champion Drive.

Mr. Joubran reported on the status of the drainage system repair project within Cypress Forest Park. He stated that the project is substantially complete and the final pay estimate submitted by WadeCon, LLC will be processed upon receiving Harris County Flood Control District's approval of the project after final inspection.

Mr. Joubran reported on the status of the construction of an eight-inch water line along Louetta Road to serve an eight-acre commercial tract pursuant to the District's contract with Canyon Construction Company, Inc. He stated the project continues to be delayed due to scheduling conflicts with required personnel from ExxonMobil Pipeline Company ("Exxon") pursuant to the District's Right-of-Way Consent Agreement with Exxon.

WASTEWATER CONVEYANCE PROJECT

Mr. Joubran stated that execution of an Acknowledgement and Consent by Cypress/Raveneaux, LLC remains outstanding for the Sanitary Sewer Force Main and Reclaimed Water Line Easement for Champions Municipal Utility District's ("Champions MUD") projects consisting of: (1) construction of a sanitary force main line to convey its wastewater to the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP"); and (2) installation of an effluent water main line.

Mr. Joubran reported that Champions MUD's engineering consultant has reported that award of the construction contract for Champions MUD's projects is being withheld, pending receipt of funding from Champions Golf Course. He stated the cost to replace a manhole located at the intersection of Cypresswood Drive and Champion Forest Drive was bid in the amount of \$10,500.00 and will be shared by all of the participants in the sanitary sewer trunk line. Discussion ensued regarding anticipated amendments to the District's Wastewater Transmission Agreement with Champions MUD and Amended and Restated Joint Trunk Sewer Line Agreement with Champions MUD and Louetta Public Utility District.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

Ms. Flores reviewed a proposed notice providing the tax assessor/collector's contact information for use by residents who did not receive their tax statements. Following review and discussion, the Board authorized placing the notice on the District's upcoming utility bills.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

There were no additional financial or bookkeeping items.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on matters discussed during a recent meeting of the CF HOA, including the District's construction projects. Discussion ensued regarding whether to provide monthly public communications on the District's project to repair sanitary sewer collection lines in Champion Forest Sections One and Two and trunk lines along Champion Drive.

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 pond drainage, sidewalk flooding, and sidewalk erosion matters. He stated that he asked CHL to review the park site and provide recommendations for preventing additional sidewalk erosion.

Director Normand reported that Trees for Houston is scheduled to deliver approximately 150 donated trees to the District on December 1, 2018. He recommended that Bella Terra Care, Inc. perform the services needed to plant the donated trees and the Board concurred. Ms. Smith discussed a resident's donation of a Little Gem Magnolia Tree and the Board concurred with including planting of the donated tree with planting of the trees donated by Trees for Houston.

RECLAIMED WATER SUPPLY PROJECT

The Board discussed the proposed effluent reuse treatment facility to be constructed in the vicinity of the Kleinwood Regional Wastewater Treatment Plant (the "KRWTP"). Discussion ensued regarding pending comments from the Church of Jesus Christ of Latter Day Saints on the location of a proposed access easement to accommodate the KRWTP's effluent reuse water distribution point facilities.

The Board discussed pending consent from the owners of the Raveneaux Country Club on the location of the District's reclaimed water plant proposed to be constructed within the acreage leased to the owners. Discussion ensued regarding the schedule for constructing the District's reclaimed water plant and the impact of proposed end users on the schedule.

Director Petrick reported that Champions MUD will be requesting increased pressure for its reclaimed water line from the Kleinwood Joint Powers Board (the "KJPB"). Discussion ensued regarding whether a study of the pressure, pumping, and capacity for the District's reclaimed water line(s) is needed.

Mr. Pagan reported that the utility easement for the reclaimed water supply line from the KRWTP to the delivery point at Champion Forest Drive and Cypress Creek previously approved by the Board is ready for execution.

KRWTP MATTERS

The Board reviewed a cost estimate for Phase 2 electrical modifications for the KRWTP in an amount not to exceed \$500,000.00. Discussion ensued regarding the District's budget and planned projects for the KRWTP. Following review and discussion, Director Vanis moved to adopt a Resolution Authorizing Action by Kleinwood Joint Powers Board Member for Phase 2 electrical modifications. Director Petrick seconded the motion, which was approved by unanimous vote.

HURRICANE HARVEY RELATED MATTERS

Mr. Phelps reported on continued coordination with the Federal Emergency Management Agency on additional reimbursements to the District for damages caused by Hurricane Harvey and approval of the District's pending mitigation and generator replacement projects.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Phelps responded to Board members' questions regarding items included on the operator's report regarding a violation notice from the Texas Commission on Environmental Quality, well performance test results, and elevated storage tank inspection results.

The Board discussed developing a water leak bill adjustment policy for the District. Mr. Phelps presented three water leak bill adjustment policy options for the Board's review. Following discussion, the Board requested that ABHR revise the District's Amended Rate Order based on the second water leak bill adjustment policy option presented by Mr. Phelps for review at its December regular meeting.

Mr. Phelps reviewed customer correspondence from one commercial and two residential accounts requesting adjustments to high utility bills due to water line leaks that had been subsequently repaired. Following review and discussion, the Board requested that Mr. Phelps apply the District's proposed water leak adjustment policy to the accounts, if applicable, and offer payment plans to the accounts that are not impacted by the new policy.

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 prior to the meeting, in accordance with the District's Rate Order, 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 Petrick 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 items discussed during the monthly meeting of the NHCRWA, including a public budget workshop and a proposed rate increase.

PUBLIC COMMUNICATIONS

The Board discussed articles for publication in the Champion Forest Women's Club Newsletter and information for posting on the District's website. Discussion ensued regarding distributing information through the Next Door internet application.

MEETING SCHEDULE AND AGENDA

The Board discussed its meeting schedule and items for inclusion on its meeting agenda. Following discussion, the Board concurred to hold its regular meeting at 4:00 p.m. on December 4, 2018, 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 NOVEMBER 6, 2018, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



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