

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

February 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 February, 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
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 Judy Barker, Barbara Burgin, Alice Kanayan, Mary Matthews, Pat McCutcheon, Mark Schaefer, and Vern Vanis, residents of the District; Barb Smith of Champion Forest Maintenance Fund ("CF HOA") and resident of the District; Greg French of the Raveneaux Country Club; Kim Shelnutt of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Andrew Phelps of Environmental Development Partners, LLC; Esther Flores and Laura Flores of Tax Tech, Inc.; Les Griffith of Champions Hydro-Lawn, Inc. ("CHL"); and Greer Pagan and Justine M. Cherne of Allen Boone Humphries Robinson LLP.

PUBLIC COMMENTS

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

PROPOSED RAVENEAUX COUNTRY CLUB TRACT DEVELOPMENT PROJECT

Director DiCioccio reported that, during a recent CF HOA meeting, Ms. Smith read a statement from Harris County Commissioner Jack Cagle stating no permits have been issued for a proposed development project for the Raveneaux Country Club tract.

The Board reviewed a proposal from Sueba Construction, Inc. for professional real estate construction consulting services related to reviewing future plans and specifications for a proposed development project for a portion of the Raveneaux Country Club tract to determine whether the project is in compliance with the District's Raveneaux Redevelopment Agreement. Following review and discussion, Director

Petrick moved to approve the proposal. Director Fryfogle seconded the motion. Following additional discussion, the motion passed by majority vote with Director Normand opposed because he believes the proposal is premature at this time.

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 January 2, 2018. Copies of the bookkeeper's report, tax assessor/collector's report, engineer's report, and operator's report are attached.

ASSOCIATION OF WATER BOARD DIRECTORS ("AWBD") CONFERENCES

The Board discussed 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 Parker seconded the motion, which was approved by unanimous vote.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

Ms. Shelnett reported that check no. 3507 was mistakenly prepared and will be voided. She presented and reviewed three additional checks for payment of invoices for reimbursement of Administrative Building expenses, Director conference expenses, and electricity expenses for street lighting. Following review and discussion, Director Parker moved to authorize execution of the three additional checks. 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. Ms. Laura Flores reported on updated collections.

ADOPT RESOLUTION CONCERNING EXEMPTIONS FROM TAXATION

The Board considered establishing the District's tax exemptions for the 2018 tax year and reviewed a proposed Resolution Concerning Exemptions from Taxation. Following review and discussion, Director Petrick 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 Normand seconded the motion, which was approved by unanimous vote.

HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio reported on matters discussed during a recent CF HOA meeting.

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 recommended approval of a task order from CHL for installing mulch around trees in the park for approximately \$2,070.00, a copy of which is attached. Following review and discussion, Director Normand moved to approve the task order as presented. Director Petrick seconded the motion, which was approved by unanimous vote.

Director Petrick distributed correspondence and a conceptual drawing of the Meyer Park and Cypress Creek Greenway potential trail alignment from Mike Howlett, Special Projects Coordinator, Spring Creek Greenway, Cypress Creek Greenway, and Harris County Precinct 4 Parks Department. Copies of the correspondence and conceptual drawing are attached. He stated the correspondence requests that the Board consider donating an easement for use as a portion of the Cypress Creek Greenway trail. He stated that the Joint Powers Board of the Kleinwood Regional Wastewater Treatment Plant ("KRWTP") will be asked to consider donating an easement for the trail. Discussion ensued.

ADDITIONAL ENGINEERING ACTION ITEMS

Mr. Joubran reported that four bids were received for the contract for construction of drainage structure repairs within Cypress Forest Park. He recommended that the Board award the contract to the low bidder, WadeCon, LLC, in the amount of \$372,212.00, pending verification of qualifications. Based on the engineer's recommendation, the Board concurred that, in its judgment, WadeCon, LLC was a responsible bidder who would be most advantageous to the District and would result in the best and most economical completion of the project, pending verification of qualifications. Following review and discussion, Director Parker moved to: (i) award the contract for construction of drainage structure repairs within Cypress Forest Park to WadeCon, LLC in the amount of \$372,212.00 and authorize execution of the contract; or alternatively (ii) award the contract to the second lowest bidder, CHL, in the amount of \$398,658.88 and authorize execution of the contract if the engineer revises his

recommendation after review of WadeCon, LLC's qualifications. Director Normand seconded the motion, which was approved by unanimous vote.

Mr. Joubran reported on the status of preparing contract documents for Canyon Construction Company, Inc.'s construction of the eight-inch water line along Louetta Road to serve an eight-acre commercial tract pursuant to the District's Development Financing Agreement with District & Urban (Texas) Inc.

Mr. Joubran discussed a structural assessment report for the trestle facility carrying the District's main water line interconnection with Cy-Champ P.U.D. and Cy-Champ P.U.D.'s sanitary sewer force main. He stated that the report from Sander Engineering, the consultant for Cy-Champ P.U.D., identifies minor repairs needed to the exposed steel ties in one of the trestle support shafts. Following review and discussion, the Board concurred with Cy-Champ P.U.D.'s recommendation to obtain a proposal for the repair.

WASTEWATER CONVEYANCE PROJECT

Mr. Joubran reported there was no update on Champions Municipal Utility District's ("Champions MUD") proposed project to construct a dedicated force main to convey its wastewater to the KRWTP. He stated that a metes and bounds description and an appraisal report have not been received from Champions MUD. Mr. Pagan reported that he was contacted by the attorney for Champions MUD regarding revising the previously approved Wastewater Transmission Agreement.

RECLAIMED WATER SUPPLY PROJECT

The Board discussed matters related to the proposed effluent reuse treatment facility to be constructed in the vicinity of the KRWTP. Mr. Joubran reported on the status of preparing a Preliminary Engineering Report to analyze and provide design recommendations and cost estimates for the District's proposed reclaimed water storage and distribution facilities.

KRWTP MATTERS

Director Petrick reported on the operations and maintenance of the KRWTP. Mr. Phelps reported on an insurance claim payment for damage to the plant's controls caused by lightning and the status of submitted insurance claims and an application submitted to the Federal Emergency Management Agency ("FEMA") for reimbursement of the costs for damages to the KRWTP caused by Hurricane Harvey.

HURRICANE HARVEY RELATED MATTERS AND ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS

Mr. Phelps reported on the status of repairs and reviewed and discussed

recommended improvement and mitigation actions for the District's facilities damaged by Hurricane Harvey for administration by Pepe Engineering and listed in the operator's report. He discussed the status of the District's application to FEMA for reimbursement of the costs for damages resulting from Hurricane Harvey and anticipated reimbursement from FEMA for the recommended improvement and mitigation actions for the District's facilities.

Mr. Phelps stated that the District's Water Plant No. 1 is unable to maintain adequate pressure to serve the District on its own. He recommended performing mitigation actions to prevent future flooding of the District's Water Plant No. 2. He reminded the Board that the District's surface water supply connection with the North Harris County Regional Water Authority (the "NHCRWA") is located at Water Plant No. 2. Mr. Joubran reported on Pepe Engineering's engagement of specialized consultants to address improvement and mitigation matters related to damages at the District's Water Plant No. 2 resulting from Hurricane Harvey. He reviewed preliminary estimated costs for two options for addressing the mitigation action of raising the electrical components in the plant above flood levels, including the generator, as included in his report. Following discussion, Director Petrick moved to authorize preparation of a feasibility report of mitigation options for Water Plant No. 2, including costs, in an amount not to exceed \$40,000.00. Director Parker seconded the motion, which was approved by unanimous vote.

Director Petrick reported on the status of repairs to the District's Administrative Building due to the impact of Hurricane Harvey. He reviewed proposals for replacing the furniture from National Business Furniture and Hallmark Office Products, copies of which are attached. Following review and discussion, Director DiCioccio moved to approve the proposal from Hallmark Office Products for a conference table in the amount of \$3,445.00 and black leather high back chairs in the amount of \$595.00 each. Director Normand seconded the motion, which was approved by unanimous vote.

CUSTOMER CORRESPONDENCE

Mr. Phelps reviewed customer correspondence requesting an adjustment in the amount of \$83.15 to a December 23, 2017, residential utility bill for the period of time the home was unoccupied during repair of a hot water heater that caused flood damage. Following review and discussion, Director Petrick moved to deny the request. Director Parker seconded the motion, which was approved by unanimous vote.

Mr. Phelps reviewed customer correspondence requesting adjustments in the approximate total amount of \$800.00 to the October through December, 2017, residential utility bills because the customer disputes the amount of water use stated in the bills. Following review and discussion, Director Petrick moved to deny the request. Director Parker seconded the motion, which was approved by unanimous vote.

Mr. Phelps explained meter reading procedures in response to Director Petrick's inquiry related to customer communications.

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 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 Parker and passed by unanimous vote.

NHCRWA

Director DiCioccio reported on matters discussed during the monthly meeting of the NHCRWA held January 9, 2018, and a Directors workshop held February 1, 2018.

PUBLIC COMMUNICATIONS

The Board discussed articles for publication in the Champion Forest Women's Club Newsletter.

MEETING SCHEDULE AND AGENDA

The Board discussed items for inclusion on the agenda for its March 6, 2018, meeting at 5:00 p.m. 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 FEBRUARY 6, 2018, BOARD MEETING]

Secretary, Board of Directors

(SEAL)



LIST OF ATTACHMENTS TO MINUTES

	Minutes
	<u>Page</u>
Bookkeeper's report.....	2
Tax Assessor/Collector's report	2
Engineer's report.....	2
Operator's report.....	2
task order from CHL	3
correspondence and a conceptual drawing of the Meyer Park and Cypress Creek Greenway potential trail alignment	3
proposals for replacing the furniture	5