

MINUTES
CYPRESS FOREST PUBLIC UTILITY DISTRICT

March 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 March, 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 Barbara Comee, Bill Comee, Joy Jaspers, Don Jaspers, Vernon Vanis, Linda Richmond, Nelda Wallace, Harold Wallace, and Robert Valentine, residents of the District; Barb Smith of Champion Forest Maintenance Fund ("CF HOA") 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"); Laura 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 ("ABHR").

2018 DIRECTORS ELECTION

A Ballot Drawing for the District's May 5, 2018, Directors Election was conducted. The order in which the names of the candidates will appear on the ballot for Director Position No. 2 was determined to be as follows:

1. Joy Jaspers
2. Vernon Vanis

Mr. Pagan discussed procedures related to the District's May 5, 2018, Directors Election. He stated that a Notice and Writ of Election is required to be provided to the election officials for the 2018 Directors Election. Following review and discussion, Director Parker moved to authorize the Secretary's Agent to provide the Notice and Writ of Election to the election officials for the 2018 Directors Election. Director Petrick seconded the motion, which was approved by unanimous vote.

PUBLIC COMMENTS

Director DiCioccio opened the meeting to receive public comments. Mr. Comee, Ms. Jaspers, and then Mr. Vanis introduced themselves to the Board and discussed their reasons for participating as candidates in the District's May 5, 2018, Directors Election.

Mr. Vanis additionally addressed the Board regarding the location of a proposed Cypress Creek Greenway trail in relation to the location of a proposed pedestrian bridge over Dry Gully.

Ms. Richmond addressed the Board to request assistance with a high water bill she received while her vacant house was under construction due to damage from Hurricane Harvey.

There being no additional public comments, Director DiCioccio closed the meeting to public comments. Copies of the Public Comment Cards are attached.

PROPOSED RAVENEAUX COUNTRY CLUB TRACT DEVELOPMENT PROJECT

Mr. Pagan reported on correspondence from David Key of the Raveneaux Country Club regarding scheduling a conference call with Sueba Construction, Inc. to determine whether future plans and specifications for a proposed development project for a portion of the Raveneaux Country Club tract will be in compliance with the District's 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 Petrick 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 February 6, 2018. Copies of the bookkeeper's report, tax assessor/collector's report, engineer's report, and operator's report are attached.

ADDITIONAL FINANCIAL AND BOOKKEEPING ACTION ITEMS

There were no additional financial and bookkeeping action items.

ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

There were no additional tax assessment or collection items. Ms. Laura Flores reported on updated tax collection amounts.

APPROVE ANNUAL REPORT AND AUTHORIZE FILING OF SAME

The Board reviewed the District's Annual Report for filing with the appropriate information depositories by March 31, 2018, in accordance with the District's Continuing Disclosure of Information Agreements and as required by SEC Rule 15c2-12. Following review and discussion, Director Normand moved to approve the Annual Report and direct that the report be filed appropriately and retained in the District's official records. Director Petrick seconded the motion, which was approved by unanimous vote.

PROCEDURES FOR CONTINUING DISCLOSURE COMPLIANCE

The Board conducted an annual review of the District's Procedures for Continuing Disclosure Compliance and concurred that no action was necessary.

HOMEOWNERS ASSOCIATION MATTERS

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

Ms. Smith addressed the Board to request the District's assistance with the CF HOA's installation of a water conserving drip irrigation system in the garden areas surrounding monuments in six esplanades in the District in the amount of \$15,654.00. Following review and discussion, Director Normand moved to authorize payment for the CF HOA's installation of the drip irrigation system as proposed. Director Petrick seconded the motion, which was approved by unanimous vote.

Ms. Smith reported that there will be a new management company for the CF HOA beginning May 1, 2018.

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 discussed drainage installed by the Mormon Church for its expanded parking lot and the proposed alignment for 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 ("KRWTP"). He discussed use of Cypress Forest Park by a Mormon Church group on March 28, 2018.

ADDITIONAL ENGINEERING ACTION ITEMS, WASTEWATER CONVEYANCE PROJECT, AND HURRICANE HARVEY RELATED MATTERS

Mr. Joubran reported on Pepe Engineering's discussions with the City of Houston regarding the District's proposed plans for repair and relining of the existing sanitary sewer collection lines in Champion Forest, Sections 1 and 2 and certain segments of the trunk lines. He recommended splitting the scope of the project into two projects consisting of: (1) rehabilitation-only scope for a portion of sanitary sewer lines in Champion Forest, Sections 1 and 2, and certain trunk lines along Champion Drive; and (2) installation of two new sanitary sewer lines to serve commercial tracts along Louetta Road on either side of Champion Drive. He requested authorization to prepare design plans and specifications for the first proposed project scope. Following discussion, Director Normand moved to authorize Pepe Engineering to prepare design plans and specifications for rehabilitation of a portion of the sanitary sewer lines in Champion Forest, Sections 1 and 2, and certain trunk lines along Champion Drive in the amount of \$3,500.00. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Joubran recommended approval of utility capacity reservations in the amounts of 31 and 47 Equivalent Single Family Units for sewage treatment and water supply, respectively, for a proposed commercial development with restaurant and retail usage to be constructed on a two-acre tract of land at 9151 Louetta Road. Following discussion, Director Normand moved to authorize execution of a utility commitment letter with capacity reservations in the amounts of 31 and 47 Equivalent Single Family Units for sewage treatment and water supply, respectively, for the proposed development at 9151 Louetta Road. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Joubran reviewed metes and bounds descriptions for proposed easements for Champions MUD's projects consisting of: (1) construction of a dedicated force main to convey its wastewater to the KRWTP; and (2) installation of a reclaimed water line. He stated that ABHR is preparing the easement document. Following review and discussion, the Board requested a map showing the location of the proposed easements for review.

Mr. Joubran reviewed a Preliminary Engineering Report ("PER") prepared by Hatch Associates Consultants, Inc. titled, "Storm Damage Assessment and Repairs for Cypress Forest PUD - Water Plant No. 2," a copy of which is attached to the engineer's report. Discussion ensued regarding the options, costs estimates, and recommendations included in the report related to improvement and mitigation actions for the District's facilities damaged by Hurricane Harvey. Additional discussion ensued regarding the status of the District's application to the Federal Emergency Management Agency ("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. Following review and discussion, Director Petrick moved to authorize Pepe Engineering to prepare a proposal for the preparation of design plans and specifications for the following options included in the PER for generator replacement and electrical system upgrades at Water Plant No. 2, to include: (1) a 450KW natural gas generator; (2) a motor control center; (3) a new automatic transfer switch; (4) modification of booster pumps; (5) and an elevated steel platform with estimated construction costs of \$1,199,000 for review at the April 3, 2018, meeting. Director Fryfogle seconded the motion, which was approved by unanimous vote.

Mr. Joubran reported on Pepe Engineering's coordination with EDP and review of design plans for construction of a proposed commercial development with restaurant and retail usage on a two-acre tract of land located at 9151 Louetta Road. He recommended approval of the design plans. Following discussion, Director Normand moved to authorize Pepe Engineering to approve the design plans for the proposed commercial development at 9151 Louetta Road as recommended. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Joubran reported on Pepe Engineering's attendance at a coordination meeting with the engineering representative for KRWTP, and representatives of Harris County's Engineering and Precinct 4 Parks Departments to discuss Harris County's trail expansion plans for the Cypress Creek Greenway. He reviewed a conceptual drawing of the proposed alignment for the trail and stated that Harris County has requested the Board's approval of an easement through property owned by the District east of Dry Gully. A copy of the conceptual drawing is attached to the engineer's report. Discussion ensued regarding Cypress Forest Park use and area detention needs. Following discussion, the Board concurred to table consideration of the proposed easement, pending review of additional information related to the entire trail expansion project.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS, INCLUDING CUSTOMER CORRESPONDENCE

Mr. Phelps reported that Ms. Richmond is in attendance to ask that the Board reconsider its denial of her request for adjustments to her October through December, 2017, residential utility bills in the approximate total amount of \$800.00. Ms. Richmond addressed the Board and stated her house was vacant and under construction due to damage from Hurricane Harvey during October through December, 2017. Following review and discussion, Director DiCioccio moved to adjust the fees for the usage amounts in excess of the prior four-month historical average usage amount to the District's lowest rate of \$1.20 per thousand gallons for Ms. Richmond's October through December, 2017 bills. Director Fryfogle seconded the motion, which was approved by majority vote, with Director Normand abstaining from the 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.

ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS (CONTINUED)

Mr. Phelps reported on attempts to locate a valve to isolate a water line needing repair due to damage caused by an automobile striking a fire hydrant.

Mr. Phelps reviewed a sample informational document explaining the fees for services included in the District's utility bills for distribution with the District's utility bills and discussed formatting changes included in a sample of the District's utility bills.

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. Director Petrick reported on the status of the preparation of an Alternate Water Use Agreement.

KRWTP MATTERS

Discussion ensued regarding an upcoming tour of the KRWTP.

ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

The Board concurred to defer this item.

ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board concurred to defer this item.

NORTH HARRIS COUNTY REGIONAL WATER AUTHORITY ("NHCRWA")

Director DiCioccio reported on matters discussed during the monthly meeting of the NHCRWA held March 5, 2018, and included in the engineer's report, including the City of Houston's repair of a transmission line.

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 of its April 3, 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 MARCH 6, 2018, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



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