

MINUTES  
CYPRESS FOREST PUBLIC UTILITY DISTRICT

April 3, 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 3<sup>rd</sup> day of April, 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, Adreena Ely, Dolly Ferrell, Suzanne Hayden, David Hayden, Ann Hickman, Alice Kanayan, Mary Lambea, Mary Jo Martin, Mary Matthews, Chris Normand, Vernon Vanis, and Harold Wallace, residents of the District; Barb Smith of Champion Forest Maintenance Fund ("CF HOA") and resident of the District; Kim Shelnett of Myrtle Cruz, Inc.; Nabil Joubran of Pepe Engineering, Ltd. ("Pepe Engineering"); Andrew Phelps of Environmental Development Partners, LLC; 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 ("ABHR").

PUBLIC COMMENTS

Director DiCioccio opened the meeting to receive public comments. Mr. Vanis addressed the Board to request updated information regarding the proposed development project for a portion of the Raveneaux Country Club tract. He recommended that the Board consider becoming members of the Cypress Creek Flood Control Coalition.

Ms. Ely addressed the Board to request updated information regarding the proposed development project for a portion of the Raveneaux Country Club tract.

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

## PROPOSED RAVENEAUX COUNTRY CLUB TRACT DEVELOPMENT PROJECT

Mr. Pagan reported on a conference call he participated in with the District's consultant, Nathan Hekimian of Sueba Construction, Inc., David Key of the Raveneaux Country Club, and architect Peter Merwin of Gensler to preliminarily discuss how the Board would expect to verify compliance of future plans and specifications for any proposed development project for a portion of the Raveneaux Country Club tract with the District's Raveneaux Redevelopment Agreement. He stated Mr. Hekimian has not received plans for the proposed development project.

### 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 Fryfogle and seconded by Director Petrick, the Board voted unanimously to approve the items included on the Consent Agenda, including the minutes of the meeting held March 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.

The Board discussed attendance at the Association of Water Board Directors ("AWBD") spring membership breakfast presentation titled, "The Impact of Hurricane Harvey on Water Districts: A Report on the AWBD Research Project." Following discussion, Director Parker moved to authorize Directors' attendance at the presentation. Director Fryfogle seconded the motion, which was approved by unanimous vote.

### RENEWAL OF DISTRICT'S INSURANCE POLICIES

The Board considered a renewal proposal from Arthur J. Gallagher & Co. for the District's insurance policies due to expire June 1, 2018. Following review and discussion, Director Normand moved to approve the renewal proposal in the amount of \$17,962.00. Director Petrick seconded the motion, which was approved by unanimous vote.

## HOMEOWNERS ASSOCIATION MATTERS

Director DiCioccio and Ms. Smith reported on matters discussed during a recent CF HOA meeting. Ms. Smith discussed articles for publication in the Champion Forest Women's Club Newsletter related to the candidates for the District's 2018 Directors Election.

## 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 reported on cleanup work performed by CHL on the underpass portion of the trail due to debris from a heavy rain event. Copies of photographs of the cleanup work are attached. Director Normand discussed reoccurrence of a sinkhole near the driving range. Mr. Joubran discussed the proposed schedule for drainage structure repairs within Cypress Forest Park.

## ADDITIONAL ENGINEERING ACTION ITEMS, WASTEWATER CONVEYANCE PROJECT, HURRICANE HARVEY RELATED MATTERS, AND RECLAIMED WATER SUPPLY PROJECT

Mr. Joubran reported on an updated request from Champions Municipal Utility District ("Champions MUD") for an easement through portions of Cypress Forest Park for Champions MUD's 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. He stated that a map showing the location of the proposed easement was previously distributed to the Board. He reviewed metes and bounds descriptions and stated that ABHR prepared a Sanitary Sewer Force Main and Reclaimed Water Line Easement. Mr. Pagan stated that an appraisal report for the proposed easement was previously distributed and indicates the easement property's value is \$2,066.00. Following review and discussion, Director Petrick moved to accept the appraisal report and authorize execution of the Sanitary Sewer Force Main and Reclaimed Water Line Easement, subject to receipt of \$2,066.00 from Champions MUD and Director DiCioccio's approval of any revisions to Champions MUD's plans and specifications for the lines. Director Parker seconded the motion, which was approved by unanimous vote.

Mr. Joubran reviewed a Proposal for Engineering Design and Preparation of Plans and Specifications for Generator Replacement and Electrical System Upgrades at Water Plant No. 2, including specialized sub-consultant design work to be performed by Hatch Associates Consultants, Inc., in an amount not to exceed \$113,500.00. A copy of the proposal is attached. He stated that the type and size of the generator will be presented for Board consideration later and will not impact the price of the proposal. Following review and discussion, Director Normand moved to accept the proposal as

presented. Director Petrick seconded the motion, which was approved by unanimous vote.

Mr. Joubran reported on the monthly meeting of the North Harris County Regional Water Authority.

Mr. Joubran reviewed a previously distributed draft Preliminary Engineering Report for the District's proposed reclaimed water system (the "PER"). Discussion ensued regarding storage options, finalization of the PER, and permitting matters for the proposed effluent reuse treatment facility to be constructed in the vicinity of the KRWTP. Director Petrick reported that the Board of the North Harris County Regional Water Authority (the "NHCRWA") authorized execution of a previously distributed draft Alternative Water Use Incentive Agreement with the District. He discussed the estimated negative impact to the schedule for reclaimed water delivery and the District's revenue from reclaimed water supply if execution of an Alternative Water Use Incentive Agreement with the NHCRWA is delayed past April 30, 2018. Following review and discussion, Director Petrick moved to authorize execution of an Alternative Water Use Incentive Agreement with the NHCRWA, subject to final review and approval by Director Petrick and ABHR. Director Parker seconded the motion, which was approved by unanimous vote.

#### KRWTP MATTERS

Director Petrick reported on the operations and maintenance of the KRWTP. He stated that an open house for the facilities is scheduled at 6:00 p.m. on April 11, 2018.

#### HURRICANE HARVEY RELATED MATTERS (CONTINUED)

Mr. Phelps stated that emergency repairs of damage to the District's Water Plant No. 2 caused by Hurricane Harvey are complete. He stated the total amount expended for repairs is \$207,913.99, less generator rental expenses. He discussed 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. He stated that replacement of the District's generator and recommended mitigation actions for the District's facilities damaged by Hurricane Harvey are being addressed by Pepe Engineering.

#### ADDITIONAL DISTRICT FACILITY OPERATIONS ACTION ITEMS, INCLUDING CUSTOMER CORRESPONDENCE

Mr. Phelps responded to Board members' questions regarding water accountability and valve repairs related to damage caused by an automobile striking a fire hydrant and.

## CONDUCT HEARING ON TERMINATION OF WATER SERVICE

Mr. Phelps recommended reclassifying nine accounts totaling \$3,009.08 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 Normand 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 Normand and passed by unanimous vote.

## ADDITIONAL TAX ASSESSMENT AND COLLECTION ACTIONS

Ms. Laura Flores reported on updated tax collection amounts.

## ANNUAL REPORT ON IMPLEMENTATION OF WATER CONSERVATION PLAN

Mr. Phelps reviewed with the Board a draft annual report on implementation of the District's Water Conservation Plan, a copy of which is attached to the operator's report, and discussed annual reporting requirements required prior to May 1, 2018. Following review and discussion, Director Parker moved to approve the annual report, subject to finalization. Director Petrick seconded the motion, which was approved by unanimous vote.

## ANNUAL REVIEW OF DROUGHT CONTINGENCY PLAN

The Board conducted an annual review of the District's Drought Contingency Plan. Mr Phelps reviewed recommended changes to the plan to simplify the trigger points and include a voluntary stage. The Board concurred to table this item pending review of the recommended changes.

## ANNUAL REVIEW AND REPORT ON IDENTITY THEFT PREVENTION PROGRAM

Mr. Phelps reviewed an annual report on the District's Identity Theft Prevention Program, a copy of which is included in the operator's report. He stated that the report indicates there were no significant incidents of identity theft detection. He

recommended continued implementation of the program without changes and the Board concurred.

#### NHCRWA

Director DiCioccio reported on matters discussed during the monthly meeting of the NHCRWA held April 2, 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 of its May 1, 2018, meeting at 5:00 p.m. at the District's Administrative Building. The Board concurred to meet at 5:00 p.m. on May 15, 2018, at the District's Administrative Building to canvass the 2018 Directors Election.

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

[SIGNATURE PAGE FOR THE MINUTES OF THE APRIL 3, 2018, BOARD MEETING]



Secretary, Board of Directors

(SEAL)



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